

City of Shoreview Minnesota

Comprehensive Annual Financial Report

For the
Fiscal Year Ended
December 31, 2011

CITY OF SHOREVIEW, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011

DEPARTMENT OF FINANCE

Fred W. Espe, Assistant Finance Director

Jeanne A. Haapala, Finance Director

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INTRODUCTORY SECTION

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I. INTRODUCTORY SECTION

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May 22, 2012

To the Honorable Mayor,
Members of the City Council,
and Citizens of the City of Shoreview, Minnesota

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2011.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Malloy, Montague, Karnowski, Radosevich & Co., P.A., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Shoreview, Minnesota's (the City) financial statements for the year ended December 31, 2011. The independent auditor's report is located at the front of the financial section of this report.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City, incorporated in 1957, is a northern suburb of the Minneapolis/St. Paul metropolitan area, situated in Ramsey County. The City occupies 12.2 square miles and serves a population of 25,043. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City operates under the State of Minnesota Statutory Plan B (Council – Manager) form of government. Policy-making and legislative authority are vested in a City Council consisting of the mayor and four other members, all elected on a non-partisan basis. The City Council appoints the government's manager, who in turn appoints the heads of the various departments. Councilmembers serve four-year terms, with two members elected every two years. The mayor is elected for a two-year term. The mayor and members of the City Council are elected at large.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; recreational and cultural activities; parks and a multi-purpose community center; water, sewer, surface water, and street light systems; community development, building inspection, and planning; and general government operations, including administration, finance/accounting, information systems, community information (newsletter), and general government buildings.

The City Council is required to adopt a budget by late December. The budget is prepared by fund, department (e.g. public safety), and activity (e.g. police). Department heads may transfer resources within an activity. The city manager may transfer resources within any department; however, transfers between departments or between funds require special approval from the City Council.

The City's capital improvement program (covering 5 years), comprehensive infrastructure replacement plan (covering 50 years), and five-year operating plan along with the annual budget serve as the foundation for the City's financial planning and the annual budget serves as the budget control.

Local Economy

Shoreview is home to numerous businesses that are leaders in their respective industries of banking and business systems, manufacturing, medical and computer technologies. A strong business community led by high profile companies such as Cummins Power Generation, Deluxe Corporation, Empi-DJO, PaR Systems, TSI, Wells Fargo and Westinghouse-PaR Nuclear, Hill-Rom and Land O' Lakes, provide the foundation for a healthy economy, diverse economic tax base and major employment for Shoreview and the surrounding area.

Because of its location in a region with a varied economic base, unemployment is relatively stable. During the past 10 years, the unemployment rate has fluctuated from a low of 3.1 percent in 2006 to a high of 6.4 percent in 2009 the current rate is 5.3 percent. Unemployment is expected to remain at or below the regional average.

During the past 10 years, general property taxes have increased in amount and as a percentage of total governmental fund revenues, from 39.3 percent in 2002 to 46.0 percent in the current fiscal year, (a 10-year increase of 6.7 percent). Intergovernmental revenues have declined from 11.9 percent in 2002 to 6.1 percent of total revenues in the current fiscal year (a 10-year decrease of 5.8 percent).

During the past 10-year period, governmental fund expenditures related to parks and recreation have increased in amount and as a percentage of total current governmental fund expenditures from 36.6 percent in 2002 to 40.7 percent in the current fiscal year (a 10-year increase of 4.1 percent). Much of the increase reflects growth in recreation programs as well as operating costs for expanded community center facilities. In addition, charges for services have increased in amount and as a percentage of total

revenue from 25.3 percent in 2002 to 28.9 percent in the current fiscal year (a 10-year increase of 3.6 percent). A significant portion of the increase (70 percent) reflects increased fees for recreation programs, as well as daily admissions and membership fees for the community center.

Long-Term Financial Planning

Total General Fund balance (50.1 percent of total General Fund expenditures) is consistent with policy guidelines set by the City Council for budgetary and planning purposes. The total General Fund balance is made up of a working capital allocation equal to 50 percent of taxes and state aid for 2012 (to accommodate cash flows and the timing for receipt of tax and state aid receipts), and an allocation of 10 percent of 2012 budgeted expenditures for unanticipated events.

The City's 5-year operating plan and capital improvement program along with the comprehensive infrastructure replacement plan (covering 50 years) serve as the foundation for the City's long-term financial planning. To ensure the timely replacement of infrastructure, the City prepares long-term cost projections for the replacement of all city assets. Funding needs for capital replacements are reflected in tax levies for the street renewal and general fixed asset funds, and are reflected in user fees established for water, sewer, surface water, and street light funds. The five-year operating plan covering all operating funds, establishes specific goals for each fund. During 2010 Standard & Poor's raised the City's debt rating one notch from 'AA+' to 'AAA'. This is the first time that a 'AAA' rating has been assigned to the City. The rationale for Standard & Poor's upgrade is based on the City's stable financial operations, continual positive results that have led to very strong reserves, and a "strong" Financial Management Assessment (FMA).

The 'AAA' rating reflects Standard & Poor's assessment of the City's:

- Participation in, and access to, the strong Minneapolis-St. Paul (Twin Cities) metropolitan area, coupled with the city's own steadily growing and diverse employment base;
- Very strong income and wealth characteristics;
- Maintenance of very strong reserves, coupled with conservative and strong financial management policies that include long-range budget and capital plans; and
- Low-to-moderate debt burden.

Projections for the next 20 years indicate that property tax contributions, user fees, and investment income will adequately support scheduled replacements. The impact of replacement costs on the property tax levy is estimated to be 1 percent per year, and user fees are projected to increase between 3 percent and 10 percent annually. The use of revolving funds will result in stable property tax and user fee increases despite fluctuating capital expenditures.

Relevant Financial Policies

Trends of the past decade, changes in state tax law, and recent legislation indicate that the City will have a greater reliance on property taxes as a source of financing for City operations in the future and less reliance on intergovernmental revenues (federal and state) and building permit fees. Changes in state tax law over the past few years have resulted in funding changes for both schools and local governments. The elimination of the homestead and agricultural credit aids (HACA) program, and large cuts in both local government aid and the market value homestead credit (MVHC) programs in previous years resulted in revenue losses to the City. In addition, as the City continues toward full development we anticipate future decreases in building permit revenues.

Major Initiatives

During 2011 the City completed a \$5.5 million expansion of the public works facility. The City issued debt in 2010 to finance the expansion project. In 2010 the Economic Development Authority (EDA) implemented a home energy and efficiency improvement loan program and established a Housing and Redevelopment Authority fund to account for housing and redevelopment programs. The EDA activity has been included within these financial statements as a blended component unit since the governing board of the City and EDA are substantively the same. The EDA does not issue a separate set of financial statements. During 2010 the City completed a community survey. The survey results continue to identify Shoreview as one of the highest quality of life communities in the twin city metropolitan area. The City Council considered the results of the survey in evaluating 2011 council goals as well as in establishing future goals.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2010. This was the twenty-sixth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

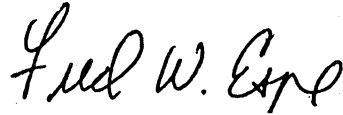
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor, City Council, and city manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Jeanne A. Haapala
Finance Director/Treasurer



Fred W. Espe
Assistant Finance Director

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Shoreview
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

President

Jeffrey R. Egan

Executive Director

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CITY OF SHOREVIEW, MINNESOTA

Principal City Officials

December 31, 2011

City Council

	<u>Term Expires</u>
Mayor Sandy Martin	December 31, 2012
Councilmembers Blake Huffman	December 31, 2012
Terry Quigley	December 31, 2014
Ady Wickstrom	December 31, 2012
Ben Withhart	December 31, 2014

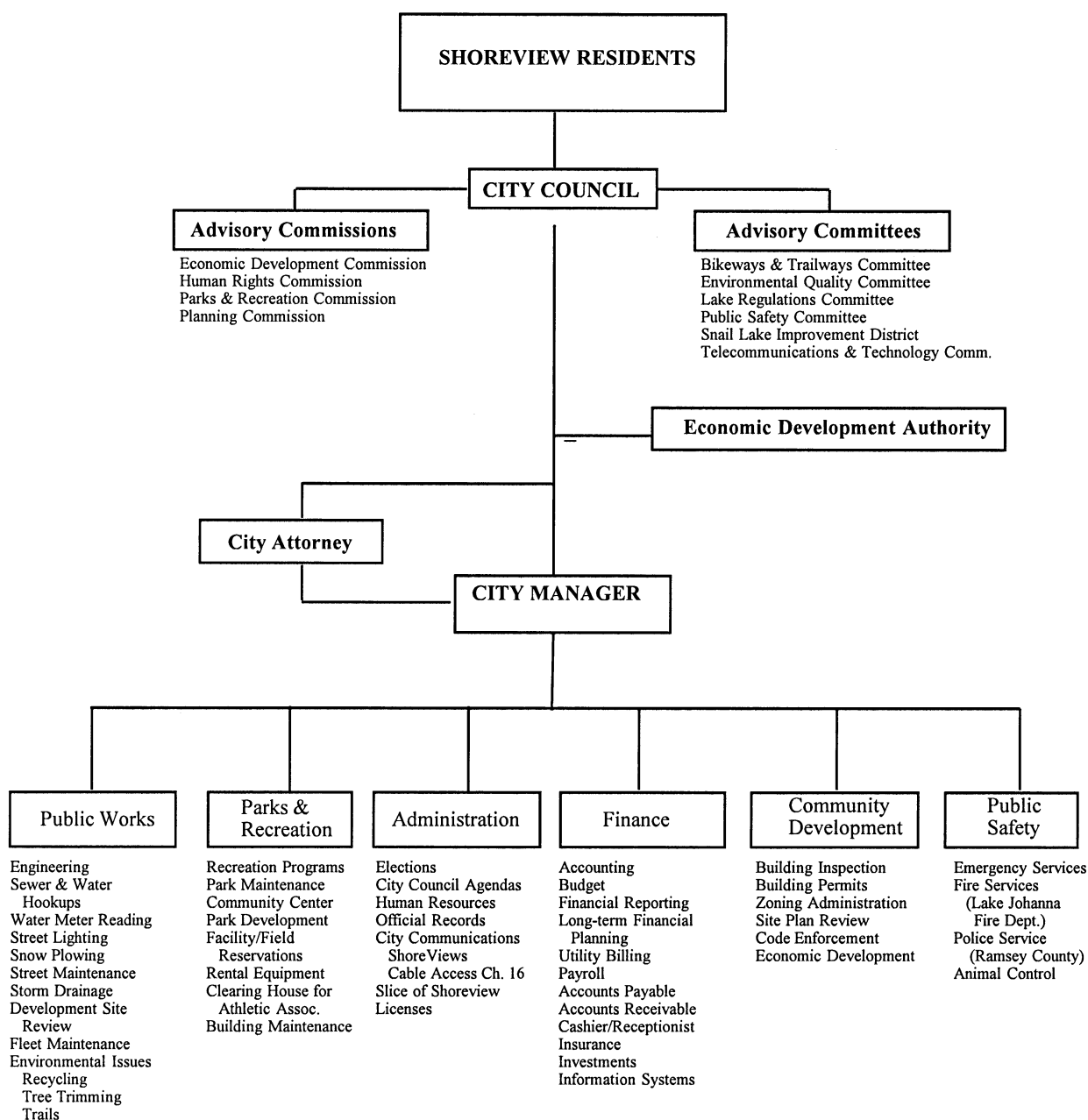
Administrative Staff

	<u>Date of Hire</u>
City Manager Terry Schwerm	June 16, 1993
Assistant City Manager/Community Development Director Thomas C. Simonson	February 19, 1985
Finance Director/Treasurer Jeanne A. Haapala	September 26, 1988
Public Works Director Mark J. Maloney	September 6, 1994

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City Of Shoreview Organizational Chart

December 31, 2011



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**FINANCIAL SECTION –
INDEPENDENT AUDITOR'S REPORT AND MD&A
TAB**

II. FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Shoreview, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Shoreview, Minnesota (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 of the notes to basic financial statements, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" during the year ended December 31, 2011.

(continued)

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the respective budgetary comparison information for the General Fund and the major special revenue funds, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, supplementary financial information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining and individual nonmajor fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory section, supplementary financial information, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Malloy, Montague, Karnowski, Radoszewich, & Co., P.A.

May 22, 2012

Management's Discussion and Analysis

As the management of the City of Shoreview, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii–vii of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$85,272,883 (net assets). Of this amount, \$17,966,228 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$2,405,922 as a result of a \$2,491,559 increase in net assets for governmental activities and a \$85,637 decrease in net assets for business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,126,358, an increase of \$1,645,054 in comparison with the prior year. Approximately 24.3 percent of this amount (\$3,912,125) is considered unassigned and available for spending at the City's discretion.
- The unassigned fund balance for the general fund was \$3,958,458 or 49.8 percent of the total general fund expenditures.
- Total government-wide liabilities decreased by \$2,035,221 which represents a 5.6 percent decrease from 2010.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through use fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, and community development. The business-type activities of the City include water, sewer, surface water management, and street light services.

The government-wide financial statements can be found on pages 19–21 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City’s funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City’s near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains six individual major governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Community Center Operation Fund, Recreation Programs Fund, Street Renewal Fund, General Fixed Asset Replacement Fund, and Capital Improvement Fund, which are considered to be major funds.

Data from all other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 22–26 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water,

sewer, surface water management, and street light operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central garage, short-term disability insurance, and liability claims functions. Because each of these services predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, surface water management, and street light operations, which are considered to be major funds of the City. Conversely, all three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 27–29 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's only fiduciary funds are agency funds.

The agency fund Statement of Assets and Liabilities can be found on page 30 of this report.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 31–66 of this report.

Other information. The City adopts an annual appropriated budget for its General Fund and special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with their respective budgets. For the General Fund and major special revenue funds these schedules are presented as required supplementary information following the Notes to Financial Statements, while budgetary schedules for nonmajor special revenue funds are included within the Combining and Individual Nonmajor Funds Statements and Schedules section of this report. The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information on budgeted comparisons. Combining and individual fund statements and schedules can be found on pages 78–117 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$85,272,883 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (\$60,734,049 or 71 percent) reflects its investment in capital assets (e.g. infrastructure, land, buildings, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these

capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Shoreview's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 18,798,469	\$ 17,853,666	\$ 7,888,382	\$ 9,664,693	\$ 26,686,851	\$ 27,518,359
Capital assets	62,517,960	62,437,394	30,497,669	29,376,026	93,015,629	91,813,420
Total assets	<u>\$ 81,316,429</u>	<u>\$ 80,291,060</u>	<u>\$ 38,386,051</u>	<u>\$ 39,040,719</u>	<u>\$ 119,702,480</u>	<u>\$ 119,331,779</u>
Long-term liabilities outstanding	\$ 21,312,347	\$ 22,535,996	\$ 9,063,411	\$ 10,001,914	\$ 30,375,758	\$ 32,537,910
Other liabilities	2,657,207	2,899,748	1,396,632	1,027,160	4,053,839	3,926,908
Total liabilities	<u>\$ 23,969,554</u>	<u>\$ 25,435,744</u>	<u>\$ 10,460,043</u>	<u>\$ 11,029,074</u>	<u>\$ 34,429,597</u>	<u>\$ 36,464,818</u>
Net assets						
Invested in capital assets, net of related debt	\$ 40,029,233	\$ 39,050,369	\$ 20,704,816	\$ 20,512,610	\$ 60,734,049	\$ 59,562,979
Restricted	6,325,795	5,329,637	246,811	408,379	6,572,606	5,738,016
Unrestricted	10,991,847	10,475,310	6,974,381	7,090,656	17,966,228	17,565,966
Total net assets	<u>\$ 57,346,875</u>	<u>\$ 54,855,316</u>	<u>\$ 27,926,008</u>	<u>\$ 28,011,645</u>	<u>\$ 85,272,883</u>	<u>\$ 82,866,961</u>

An additional portion of the City's net assets (\$6,572,606 or 8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$17,966,228 or 21 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The net assets of the City as a whole increased \$2,405,922 (2.9 percent) from \$82,866,961 at December 31, 2010 to \$85,272,883 at December 31, 2011. Governmental activities increased \$2,491,559 (4.5 percent) over the prior year while the business-type activities decreased \$85,637 ((.3) percent) during the same period.

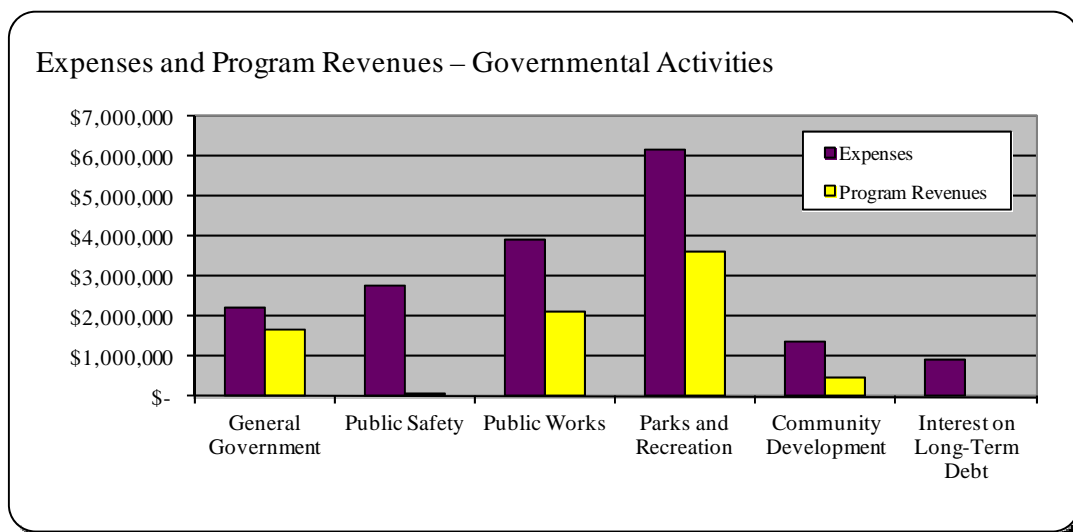
Governmental activities. Governmental activities increased the City's net assets by \$2,491,559, thereby accounting for 104 percent of the total growth in net assets. Key elements of this increase are as follows:

City of Shoreview's Changes in Net Assets						
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues						
Charges for services	\$ 6,502,435	\$ 6,187,530	\$ 7,108,090	\$ 6,538,432	\$ 13,610,525	\$ 12,725,962
Operating grants and contributions	311,246	250,264	—	—	311,246	250,264
Capital grants and contributions	1,145,697	881,392	27,878	37,176	1,173,575	918,568
General revenues						
Property taxes	8,911,670	8,620,022	—	—	8,911,670	8,620,022
Tax increment collections	2,035,627	1,935,523	—	—	2,035,627	1,935,523
Grants and contributions not restricted to specific programs	41,851	40,762	—	—	41,851	40,762
Unrestricted investment earnings	374,378	168,822	163,758	65,535	538,136	234,357
Gain on disposal of capital assets	64,709	29,473	—	—	64,709	29,473
Total revenues	<u>19,387,613</u>	<u>18,113,788</u>	<u>7,299,726</u>	<u>6,641,143</u>	<u>26,687,339</u>	<u>24,754,931</u>
Expenses						
General government	2,227,952	2,192,010	—	—	2,227,952	2,192,010
Public safety	2,783,332	2,642,094	—	—	2,783,332	2,642,094
Public works	3,909,642	3,512,821	—	—	3,909,642	3,512,821
Parks and recreation	6,169,365	5,737,675	—	—	6,169,365	5,737,675
Community development	1,398,228	1,472,700	—	—	1,398,228	1,472,700
Interest on long-term debt	911,854	697,523	—	—	911,854	697,523
Water	—	—	2,281,299	2,051,213	2,281,299	2,051,213
Sewer	—	—	3,315,044	3,173,831	3,315,044	3,173,831
Surface water management	—	—	966,638	906,527	966,638	906,527
Street lights	—	—	318,063	282,638	318,063	282,638
Total expenses	<u>17,400,373</u>	<u>16,254,823</u>	<u>6,881,044</u>	<u>6,414,209</u>	<u>24,281,417</u>	<u>22,669,032</u>
Increase (decrease) in net assets before transfers	1,987,240	1,858,965	418,682	226,934	2,405,922	2,085,899
Transfers	<u>504,319</u>	<u>273,253</u>	<u>(504,319)</u>	<u>(273,253)</u>	<u>—</u>	<u>—</u>
Increase (decrease) in net assets	2,491,559	2,132,218	(85,637)	(46,319)	2,405,922	2,085,899
Net assets – January 1	<u>54,855,316</u>	<u>52,723,098</u>	<u>28,011,645</u>	<u>28,057,964</u>	<u>82,866,961</u>	<u>80,781,062</u>
Net assets – December 31	<u>\$ 57,346,875</u>	<u>\$ 54,855,316</u>	<u>\$ 27,926,008</u>	<u>\$ 28,011,645</u>	<u>\$ 85,272,883</u>	<u>\$ 82,866,961</u>

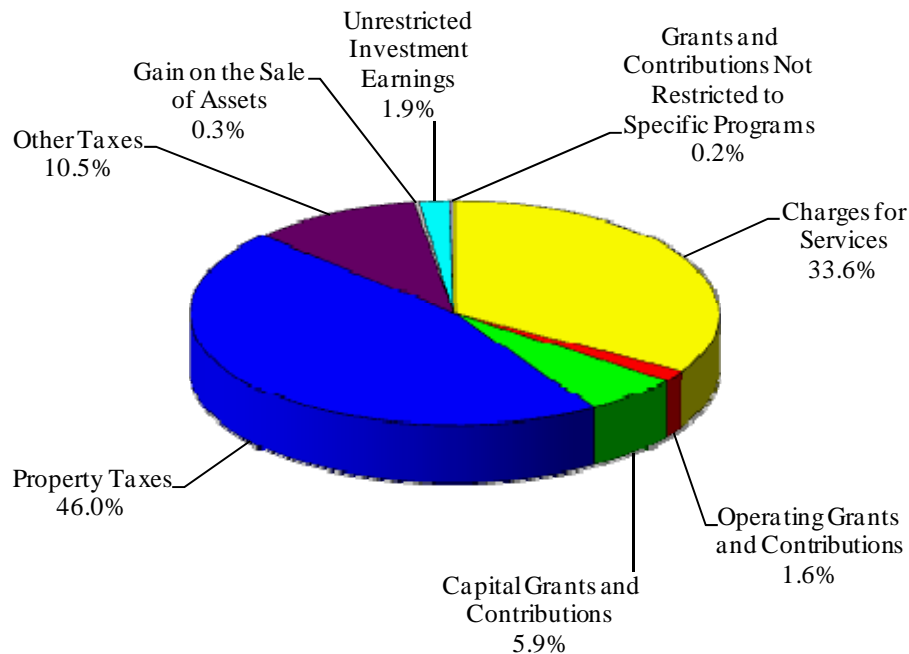
- Charges for services for governmental activities increased \$314,905 (5.1 percent) during the year. Significant changes from 2010 to 2011 include a \$234,577 (6.9 percent) increase in parks and recreation charges, a \$100,718 (17.4 percent) decrease in community development charges, a \$103,613 (6.9 percent) increase in general government charges and a \$49,523 (7.2 percent) increase in public works charges. Significant parks and recreation increases were a result of park and recreation program revenues (\$36,153) and community center room rentals, memberships and daily admission revenue (\$169,864). The decreases in community development charges are a result of decreased building permit revenue (\$115,341). The increases in general government charges are a result of increased antenna rental fees (\$90,543). The public works increase was due mainly to increases in recycling revenue (\$46,320).
- Operating grants and contributions remained consistent with prior years in both amounts and types of grants and contributions.

- Capital grants and contributions for governmental activities increased \$264,305 (30.0 percent) during the year. The majority of this increase is due to an increase in contributed streets assets from Ramsey County and a townhome association (\$261,240) and an increase in state aid for street construction (\$147,856). Special assessment revenue decreased \$89,482 due to decreased delinquent collections.
- Property taxes for governmental activities increased by \$291,648 (3.4 percent) during the year, primarily due to levy increases for the General Fund, Debt Service, Street Renewal, General Fixed Asset Replacement, Capital Improvement and Special Revenue funds.
- Tax increment collections for governmental activities increased by \$100,104 (5.2 percent) this increase is due to a reduction of pending property petitions and abatements filed with the county in 2011.
- Investment earnings increased by \$205,556 during the year due to year-end adjustments to fair market value.
- Public safety expenses increased by \$141,238 (5.3 percent) during the year. The police and fire operating contracts increased by \$107,662. Contributions to the fire department for the City's contractual share of fire department capital costs increased by \$32,998.
- Public works expenses increased by \$396,821 (11.3 percent) during the year. A significant portion of this increase (31.5 percent) was a result of the City transitioning the street seal coating program from a six year to a seven year cycle in 2010, 2011 costs returned to historical amounts. The remaining increases were a result of the City's contribution to Ramsey County for the purchase of property by the County, and other non-capital public works expenditures.
- Parks and recreation expenses increased by \$431,690 (7.5 percent) during the year. The majority of the parks and recreation increase was a result of increased repair and maintenance costs in 2011. The City incurred major maintenance and repair costs for the replacement of the community center air conditioning system.

The following two graphs provide comparisons of the governmental activities revenues and expenses.

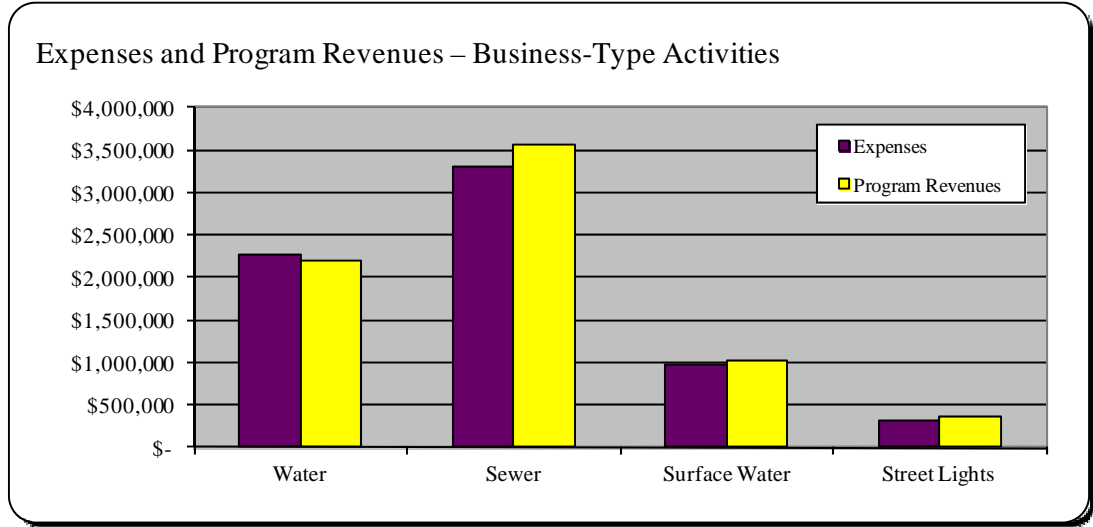


Governmental Activities – Revenues

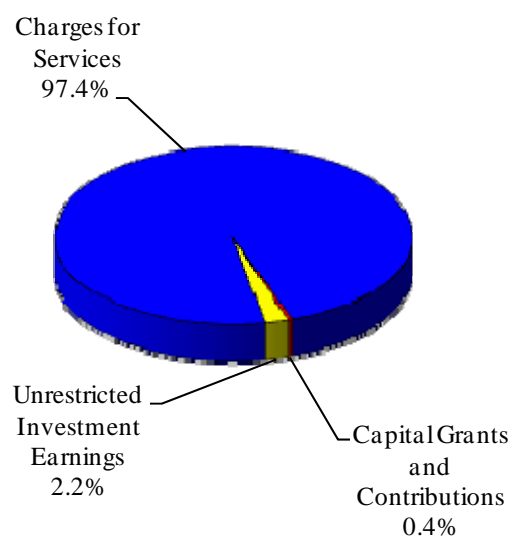


Business-type activities. Business-type activities reduced the City's net assets by \$85,637. Key elements of this decrease are as follows:

- Charges for services for business-type activities increased \$569,658 (8.7 percent). Water operations increased \$176,838, this increase was due to a water rate increase of 10.1 percent for the average residential customer, and a 2.2 percent decrease in the gallons of water sold during the year. Sewer operations had an increase of \$294,126, due to a 10 percent rate increase for the average residential customer and a 2.9 percent decrease in winter residential water consumption, which provides the basis for residential sewer charges. Surface Water operations had an increase of \$81,997, due to a 10 percent rate increase, which resulted in a quarterly increase of \$1.45 per residential unit. Street Light operations had an increase of \$16,697, due to the impact of a street light rate increase of 5 percent, which resulted in a quarterly increase of \$.35 per residential unit.
- Capital grants and contributions during the year produced \$27,878 in revenue for business-type activities. This consists of intergovernmental capital grants.
- Expenses for business-type activities increased \$466,835 (7.3 percent). Depreciation expense accounts for \$102,018 of this increase. Loss on the disposal of a water distribution asset accounted for \$108,152 of the increase.



Business-Type Activities – Revenues



Financial Analysis of the Government’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$16,126,358, an increase of \$1,645,054 in comparison with the prior year. Approximately 24 percent of this amount (\$3,912,125) constitutes unassigned fund balance

which is available for spending at the government's discretion. The remainder of fund balance is classified as non-spendable in the form of prepaid items, restricted, committed or assigned for specific activities and projects. These amounts are not available for new spending because they are restricted by externally imposed constraints or committed and assigned through internally imposed constraints.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,958,458. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned General Fund balance represents 49.8 percent of total General Fund expenditures, while total fund balance represents 50.1 percent of that same amount.

The City's General Fund balance policy establishes a minimum and maximum unassigned fund balance based on the following key factors:

- The unassigned fund balance for working capital needs is equal to 50 percent of the ensuing years General Fund tax levy and levy-based state aids, because taxes and state aids are received in June and December of each year. The working capital allocation is reduced by the balance of nonspendable items at year-end. Budgeted taxes in 2012 are \$121,326 more than in 2011; consequently, the unassigned General Fund balance for working capital increases \$60,663 at the end of the current period. As of year-end the City has met its minimum unassigned working capital balance.
- The maximum unassigned fund balance for unanticipated expenditures at year-end is equal to 10 percent of budgeted ensuing year's expenditures. Because 2012 budgeted expenditures are \$53,846 less than 2011 budgeted expenditures the maximum amount the unassigned General Fund balance for unanticipated expenditures may decrease is \$5,385. As of year-end the City has met its maximum unassigned unanticipated expenditure fund balance.
- The maximum unassigned fund balance is equal to the combined unassigned working capital and unanticipated expenditure fund balances less any nonspendable items. The total for the current fiscal year is \$3,958,458 as compared to \$3,914,672 for the previous year, an increase of \$43,786.

The Community Center Operation Fund balance increased \$227,635. This increase is due mainly to increases in community center room rentals, memberships and daily admission revenue. Increases in revenue exceeded increases in expenditures during 2011.

The Recreation Programs Fund balance increased \$137,307. This increase was a result of increased program revenues exceeding the increases in expenditures, and a decrease in the amount of net transfers out to other funds.

Fund balances for the Street Renewal and General Fixed Asset Replacement Funds are designed to fluctuate between years depending on the type of operating repairs and capital costs in any given year. Revenues are designed to change gradually from one year to the next, providing a stable revenue stream to support repair and replacement costs that vary due to type, size, and scope. Fund balance increased \$373,346 in the Street Renewal Fund. Expenditures in the Street Renewal Fund consisted primarily of public works seal coating repairs. Transfers out in the Street Renewal Fund represent the fund's share of costs for the Buffalo Lane street reconstruction and 2010 pavement rehabilitation projects. Fund balance decreased \$216,147 in

the General Fixed Asset Replacement Fund. Significant expenditures in 2011 included the City's capital contribution in the amount of \$141,774 to the Lake Johanna Fire Department, trail seal coating costs and miscellaneous trail repairs in the amount of \$86,080, various community center and park and recreation repairs and supplies in the amount of \$414,048, community center capital expenditures in the amount of \$226,187, office furniture replacement in the amount of \$57,537, and Sitzer park concession improvements in the amount of \$30,107. Transfers out in the General Fixed Asset Replacement Fund represent the fund's share of costs for the 2002 Certificates of Participation, and computer acquisitions. Revenues for the Street Renewal and General Fixed Asset Replacement Funds were consistent with prior years.

The Capital Improvement Fund balance increased \$235,731. Capital expenditures include the Guerin gas station restoration, land acquisition, and various park improvements. Operating expenditures include marketing costs for the Community Center. Transfers out in the Capital Improvement Fund represent the fund's share of costs for the 2002 Certificates of Participation and computer acquisitions. Revenue for the Capital Improvement Fund was consistent with prior years.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets in the respective proprietary funds include \$3,178,712 for water, \$2,527,278 for sewer, \$981,078 for surface water management, and \$225,678 for street lights. Water Fund net assets decreased \$233,354 primarily due to decreased customer summer irrigation water usage. Sewer Fund net assets increased \$105,497; revenue increases were sufficient to offset increased operating expenses, interest and paying agent fees and transfers. Surface Water Fund net assets decreased \$21,735 primarily due to increased transfers to other funds. Street Lights Fund net assets increased \$38,737 primarily as a result of increased customer billings.

General Fund Budgetary Highlights

During 2011 the City amended its adopted 2011 budget. The purpose of the amended budget was to consolidate certain activities and reclassify certain expenditures within the general fund and among other funds; transfers were adjusted for activity that affected other funds. Total General Fund revenues were \$222,239 more than estimated in the budget. Property taxes were under budget by \$80,061. Licenses and permits surpassed anticipated levels by \$160,093 primarily due to building permits, charges for services surpassed anticipated levels by \$66,117, primarily as a result of in-house engineering charges; earnings on investments were \$29,714 more than budgeted due to the year-end adjustment to market.

Total General Fund expenditures were below budget by \$157,174. Within the general government department information systems current expenditures were under budget by \$64,100, and capital outlay was over budget by \$45,026, due to a reclassification of wages from current to capital outlay for internally developed software. Within the public works department, trail management and forestry were under budget due to a position vacancy. Within the parks and recreation department, parks and recreation administration was over budget by \$28,174 primarily due to personal services associated with payment of unused vacation to a retiree. The unbudgeted transfer to the Closed Bond fund (\$311,728) was made in accordance with the City's fund balance policy regarding excess fund balance in the General Fund.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2011 amounts to \$93,015,629 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, machinery and equipment, distribution and collection systems, park facilities, roads, trails and sidewalks, and pedestrian tunnels and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 1.3 percent (a 0.1 percent increase for governmental activities and a 3.8 percent increase for business-type activities).

City of Shoreview's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 7,724,345	\$ 7,707,490	\$ 304,202	\$ 304,202	\$ 8,028,547	\$ 8,011,692
Buildings and structures	25,425,122	20,659,871	4,922,249	4,446,121	30,347,371	25,105,992
Machinery and equipment	3,797,385	2,954,389	2,268,476	2,369,706	6,065,861	5,324,095
Distribution and collection systems	—	—	22,324,450	21,549,249	22,324,450	21,549,249
Infrastructure	24,002,276	24,588,116	—	—	24,002,276	24,588,116
Construction in progress	1,568,832	6,527,528	678,292	706,748	2,247,124	7,234,276
Total	\$ 62,517,960	\$ 62,437,394	\$ 30,497,669	\$ 29,376,026	\$ 93,015,629	\$ 91,813,420

Major capital asset events during the current fiscal year included the following:

- A variety of capital assets for governmental activities were completed at a cumulative cost of \$7,889,697. Construction in progress at year-end for governmental activities is \$1,568,832.
- Various capital assets for business-type activities were completed at a cumulative cost of \$2,414,137. Construction in progress for business-type activities as of the end of the current fiscal year is \$678,292.

Additional information on the City's capital assets can be found in Note 5 of the notes to financial statements.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$21,820,000, a decrease of \$1,630,000 from 2010. The entire bonded debt amount is backed by the full faith and credit of the City. An additional \$4,620,000 of outstanding certificates of participation financed building improvements and a \$6,000,000 loan payable financed land acquisition. The remaining liability is for compensated absences totaling \$337,399.

City of Shoreview's Outstanding Debt
General Obligation, Revenue Bonds, Long-Term Notes, Loans, and Compensated Absences

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation improvement bonds	\$ 1,350,000	\$ 1,610,000	\$ —	\$ —	\$ 1,350,000	\$ 1,610,000
General obligation tax increment bonds	1,830,000	2,180,000	—	—	1,830,000	2,180,000
General obligation bonds	8,705,000	8,950,000	—	—	8,705,000	8,950,000
General obligation revenue bonds	—	—	9,935,000	10,710,000	9,935,000	10,710,000
Certificates of participation	4,620,000	4,680,000	—	—	4,620,000	4,680,000
Loans payable	6,000,000	6,000,000	—	—	6,000,000	6,000,000
Compensated absences	254,920	264,783	82,479	73,518	337,399	338,301
Total	\$ 22,759,920	\$ 23,684,783	\$ 10,017,479	\$ 10,783,518	\$ 32,777,399	\$ 34,468,301

The City maintains a bond rating from Standard & Poor's Financial Services, LLC of AAA for general obligation debt.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3 percent of total estimated market value. The current debt limitation for the City is \$85,157,313. The City's net debt applicable to this limit totals \$12,442,328.

Additional information on the City's long-term debt can be found in Note 6 of the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

- The annual average unemployment rate (not seasonally adjusted) for the City is currently 5.3 percent, which compares favorably to 6.4 percent unemployment for the state of Minnesota, and 8.9 percent unemployment nationally.
- The current property tax collection rate for the current period is 99.2 percent.
- Building permit activity in the current period resulted in permit valuation equal to \$21.9 million. New residential and commercial construction accounted for 23 percent of building permit values. Reinvestment in homes through improvements to property by homeowners accounted for 31 percent of building permit values, and commercial property accounted for the remaining 46 percent of building permit values.
- The 2012 adopted levy supports the 2012 budget.

All of these factors were considered in preparing the City's budget for the 2012 fiscal year.

Water, sewer, surface water management, and street light rates were increased for the 2012 budget year. The increase for the average customers was 21 percent for water, 0 percent for sewer, 10 percent for surface water management, and 24 percent for street lights. The total impact on the average residential customer is estimated to be 8.1 percent. These rate increases were necessary to support operating costs, capital costs, and debt repayment.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 4600 Victoria Street North, Shoreview, Minnesota 55126.

**FINANCIAL SECTION –
BASIC FINANCIAL STATEMENTS
TAB**

BASIC FINANCIAL STATEMENTS

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CITY OF SHOREVIEW, MINNESOTA

Statement of Net Assets

December 31, 2011

Statement 1

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Assets			
Cash and investments	\$ 17,515,702	\$ 5,986,896	\$ 23,502,598
Accrued interest receivable	61,298	27,343	88,641
Accounts receivable	117,105	1,784,028	1,901,133
Deposit receivable	1,445	—	1,445
Loan receivable	97,651	—	97,651
Taxes receivable	229,085	—	229,085
Special assessments receivable	696,208	4,833	701,041
Internal balances	(61,635)	61,635	—
Due from other governmental units	111,188	15,042	126,230
Prepaid items	30,422	8,605	39,027
Capital assets (net of accumulated depreciation)			
Nondepreciable	9,293,177	982,494	10,275,671
Depreciable	53,224,783	29,515,175	82,739,958
Total assets	<u>81,316,429</u>	<u>38,386,051</u>	<u>119,702,480</u>
Liabilities			
Accounts payable	303,976	56,002	359,978
Salaries payable	92,800	21,012	113,812
Contracts payable	65,980	66,113	132,093
Accrued bond interest payable	286,476	151,481	437,957
Deposits payable	213,568	10,530	224,098
Due to other governmental units	158,897	137,426	296,323
Unearned revenue	87,937	—	87,937
Compensated absences payable			
Due within one year	12,573	4,068	16,641
Due in more than one year	242,347	78,411	320,758
Loan payable			
Due in more than one year	6,000,000	—	6,000,000
Certificates of participation payable			
Due within one year	290,000	—	290,000
Due in more than one year	4,330,000	—	4,330,000
Bonds payable			
Due within one year	1,145,000	950,000	2,095,000
Due in more than one year	10,740,000	8,985,000	19,725,000
Total liabilities	<u>23,969,554</u>	<u>10,460,043</u>	<u>34,429,597</u>
Net assets			
Invested in capital assets, net of related debt	40,029,233	20,704,816	60,734,049
Restricted for			
Business loan program	165,777	—	165,777
Cable television	61,082	—	61,082
Debt service	1,882,789	—	1,882,789
Economic development	18,684	—	18,684
Housing and redevelopment	34,751	—	34,751
Trunk facility	—	246,811	246,811
Tax increment purposes	4,162,712	—	4,162,712
Unrestricted	10,991,847	6,974,381	17,966,228
Total net assets	<u>\$ 57,346,875</u>	<u>\$ 27,926,008</u>	<u>\$ 85,272,883</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA
Statement of Activities
For The Year Ended December 31, 2011

Statement 2

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Functions/programs							
Primary government							
Governmental activities							
General government	\$ 2,227,952	\$ 1,597,025	\$ 55,333	\$ –	\$ (575,594)	\$ –	\$ (575,594)
Public safety	2,783,332	64,225	–	831	(2,718,276)	–	(2,718,276)
Public works	3,909,642	741,563	251,161	1,144,866	(1,772,052)	–	(1,772,052)
Parks and recreation	6,169,365	3,620,548	4,752	–	(2,544,065)	–	(2,544,065)
Community development	1,398,228	479,074	–	–	(919,154)	–	(919,154)
Interest on long-term debt	911,854	–	–	–	(911,854)	–	(911,854)
Total governmental activities	<u>17,400,373</u>	<u>6,502,435</u>	<u>311,246</u>	<u>1,145,697</u>	<u>(9,440,995)</u>	<u>–</u>	<u>(9,440,995)</u>
Business-type activities							
Water	2,281,299	2,186,139	–	13,366	–	(81,794)	(81,794)
Sewer	3,315,044	3,548,325	–	10,649	–	243,930	243,930
Surface water	966,638	1,008,151	–	3,863	–	45,376	45,376
Street lights	318,063	365,475	–	–	–	47,412	47,412
Total business-type activities	<u>6,881,044</u>	<u>7,108,090</u>	<u>–</u>	<u>27,878</u>	<u>–</u>	<u>254,924</u>	<u>254,924</u>
Total primary government	<u>\$ 24,281,417</u>	<u>\$ 13,610,525</u>	<u>\$ 311,246</u>	<u>\$ 1,173,575</u>	<u>(9,440,995)</u>	<u>254,924</u>	<u>(9,186,071)</u>
General revenues							
Property taxes					8,911,670	–	8,911,670
Tax increment collections					2,035,627	–	2,035,627
Grants and contributions not restricted to specific programs					41,851	–	41,851
Unrestricted investment earnings					374,378	163,758	538,136
Gain on disposal of capital assets					64,709	–	64,709
Transfers					504,319	(504,319)	–
Total general revenues and transfers					<u>11,932,554</u>	<u>(340,561)</u>	<u>11,591,993</u>
Change in net assets					2,491,559	(85,637)	2,405,922
Net assets – beginning					54,855,316	28,011,645	82,866,961
Net assets – ending					<u>\$ 57,346,875</u>	<u>\$ 27,926,008</u>	<u>\$ 85,272,883</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Balance Sheet
Governmental Funds
December 31, 2011

Statement 3

	General	Community Center Operation	Recreation Programs	Street Renewal	General Fixed Asset Replacement	Capital Improvement	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
Assets									
Cash and investments	\$ 4,141,575	\$ 980,561	\$ 560,287	\$ 2,365,875	\$ 506,659	\$ 618,004	\$ 7,339,418	\$ -	\$ 16,512,379
Accrued interest receivable	13,310	3,452	2,058	8,205	1,606	1,915	27,180	-	57,726
Accounts receivable (net of allowance for uncollectibles)	38,375	4,661	-	-	1,196	-	72,839	-	117,071
Deposits receivable	-	1,445	-	-	-	-	-	-	1,445
Loan receivable	-	-	-	-	-	-	97,651	-	97,651
Taxes receivable	124,031	-	-	14,546	22,393	1,937	64,502	-	227,409
Special assessments receivable	-	-	-	35,621	-	250	660,337	-	696,208
Interfund receivable	-	-	-	-	-	-	71,333	(71,333)	-
Due from other governmental units	40,520	3,988	1,124	-	-	-	9,414	-	55,046
Prepaid items	17,954	5,039	4,443	-	-	-	442	-	27,878
Total assets	<u>\$ 4,375,765</u>	<u>\$ 999,146</u>	<u>\$ 567,912</u>	<u>\$ 2,424,247</u>	<u>\$ 531,854</u>	<u>\$ 622,106</u>	<u>\$ 8,343,116</u>	<u>\$ (71,333)</u>	<u>\$ 17,792,813</u>
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ 63,444	\$ 62,968	\$ 6,459	\$ -	\$ -	\$ 68,557	\$ 79,090	\$ -	\$ 280,518
Salaries payable	51,049	23,657	14,120	-	-	-	1,561	-	90,387
Contracts payable	-	-	-	-	42,075	-	22,905	-	64,980
Deposits payable	134,540	79,028	-	-	-	-	-	-	213,568
Interfund payable	-	-	-	-	-	-	71,333	(71,333)	-
Due to other governmental units	74,471	5,206	2,128	-	-	2,898	73,793	-	158,496
Deferred revenue	75,849	-	-	41,984	9,923	68,462	662,288	-	858,506
Total liabilities	<u>399,353</u>	<u>170,859</u>	<u>22,707</u>	<u>41,984</u>	<u>51,998</u>	<u>139,917</u>	<u>910,970</u>	<u>(71,333)</u>	<u>1,666,455</u>
Fund balances									
Nonspendable	17,954	5,039	4,443	-	-	-	442	-	27,878
Restricted	-	-	-	-	-	-	5,955,357	-	5,955,357
Committed	-	823,248	540,762	2,382,263	479,856	482,189	321,956	-	5,030,274
Assigned	-	-	-	-	-	-	1,200,724	-	1,200,724
Unassigned	3,958,458	-	-	-	-	-	(46,333)	-	3,912,125
Total fund balances	<u>3,976,412</u>	<u>828,287</u>	<u>545,205</u>	<u>2,382,263</u>	<u>479,856</u>	<u>482,189</u>	<u>7,432,146</u>	<u>-</u>	<u>16,126,358</u>
Total liabilities and fund balances	<u>\$ 4,375,765</u>	<u>\$ 999,146</u>	<u>\$ 567,912</u>	<u>\$ 2,424,247</u>	<u>\$ 531,854</u>	<u>\$ 622,106</u>	<u>\$ 8,343,116</u>	<u>\$ (71,333)</u>	<u>\$ 17,792,813</u>
Fund balance reported above									\$ 16,126,358
Amounts reported for governmental activities in the Statement of Net Assets are different because:									
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.									53,887,801
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.									770,569
Internal service funds are used by management to charge costs to individual funds.									
The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.									3,885,153
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.									(17,323,006)
Net assets of governmental activities									<u>\$ 57,346,875</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For The Year Ended December 31, 2011

Statement 4

	General	Community Center Operation	Recreation Programs	Street Renewal	General Fixed Asset Replacement	Capital Improvement	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
Revenues									
Taxes									
General property taxes	\$ 6,265,673	\$ —	\$ —	\$ 740,986	\$ 1,135,992	\$ 98,804	\$ 602,510	\$ —	\$ 8,843,965
Tax increments	—	—	—	—	—	—	2,035,627	—	2,035,627
Special assessments	—	—	—	9,221	—	280	183,871	—	193,372
Licenses and permits	441,243	—	—	—	—	—	—	—	441,243
Intergovernmental	188,521	—	—	9,169	—	—	983,285	—	1,180,975
Charges for services	1,198,357	2,311,069	1,303,082	1,410	—	—	746,242	—	5,560,160
Fines and forfeits	62,135	—	—	—	—	—	—	—	62,135
Earnings on investments	79,714	20,674	12,323	49,139	9,614	11,469	169,109	—	352,042
Payments in lieu of taxes	—	—	—	—	—	110,000	—	—	110,000
Antenna rental fees	—	—	—	—	—	319,150	—	—	319,150
Loan payments	—	—	—	—	—	—	21,750	—	21,750
Other	40,264	758	60	—	2,918	4,752	39,064	—	87,816
Total revenues	8,275,907	2,332,501	1,315,465	809,925	1,148,524	544,455	4,781,458	—	19,208,235
Expenditures									
Current									
General government	1,794,786	—	—	—	—	—	267,684	—	2,062,470
Public safety	2,556,068	—	—	—	141,774	—	—	—	2,697,842
Public works	1,298,219	—	—	239,928	86,080	—	611,553	—	2,235,780
Parks and recreation	1,707,653	2,401,866	1,173,158	—	414,048	50,258	—	—	5,746,983
Community development	530,288	—	—	—	—	—	862,331	—	1,392,619
Capital outlay									
General government	45,026	—	—	—	—	—	223,364	—	268,390
Public works	—	—	—	—	—	—	1,547,110	—	1,547,110
Parks and recreation	8,895	—	—	—	313,831	52,811	—	—	375,537
Debt service									
Principal	—	—	—	—	—	—	1,125,000	—	1,125,000
Interest and paying agent fees	—	—	—	—	—	—	367,213	—	367,213
Payment to refunded bond escrow agent	—	—	—	—	—	—	85,989	—	85,989
Total expenditures	7,940,935	2,401,866	1,173,158	239,928	955,733	103,069	5,090,244	—	17,904,933
Revenues over (under) expenditures	334,972	(69,365)	142,307	569,997	192,791	441,386	(308,786)	—	1,303,302
Other financing sources (uses)									
Issuance of refunding debt	—	—	—	—	—	—	4,620,000	—	4,620,000
Discount on debt issuance	—	—	—	—	—	—	(44,759)	—	(44,759)
Payment to refunded bond escrow agent	—	—	—	—	—	—	(4,575,241)	—	(4,575,241)
Sale of capital assets	—	—	—	—	252	—	500	—	752
Transfers in	471,450	297,000	65,000	—	—	—	3,092,512	(3,584,962)	341,000
Transfers out	(751,145)	—	(70,000)	(196,651)	(409,190)	(205,655)	(1,952,321)	3,584,962	—
Total other financing sources (uses)	(279,695)	297,000	(5,000)	(196,651)	(408,938)	(205,655)	1,140,691	—	341,752
Net change in fund balances	55,277	227,635	137,307	373,346	(216,147)	235,731	831,905	—	1,645,054
Fund balances – January 1	3,921,135	600,652	407,898	2,008,917	696,003	246,458	6,600,241	—	14,481,304
Fund balances – December 31	<u>\$ 3,976,412</u>	<u>\$ 828,287</u>	<u>\$ 545,205</u>	<u>\$ 2,382,263</u>	<u>\$ 479,856</u>	<u>\$ 482,189</u>	<u>\$ 7,432,146</u>	<u>\$ —</u>	<u>\$ 16,126,358</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For The Year Ended December 31, 2011

Statement 5

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances – total governmental funds.	\$ 1,645,054
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions exceeded depreciation in the current period.	148,313
The Statement of Activities reports gains and losses arising from the trade-in or disposal of existing assets to acquire new capital assets. Conversely, governmental funds simply report proceeds on sale of capital assets.	(77,363)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(357,746)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas material amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	915,000
The transfer out of governmental capital assets contributed to enterprise funds.	(17,281)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	10,071
Internal service funds are used by management to charge costs to individual funds. This amount is the portion of net revenue attributable to and reported with governmental activities.	225,511
Change in net assets of governmental activities.	<u>\$ 2,491,559</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Net Assets

Proprietary Funds

December 31, 2011

Statement 6

	Business-Type Activities – Enterprise Funds					Governmental Activities – Internal Service Funds
	Water	Sewer	Surface Water	Street Lights	Totals Current Year	
Assets						
Current assets						
Cash and investments	\$ 2,935,896	\$ 2,103,096	\$ 773,425	\$ 174,479	\$ 5,986,896	\$ 1,003,323
Accrued interest receivable	13,408	9,771	3,440	724	27,343	3,572
Accounts receivable						
Customers	482,997	804,821	245,800	57,300	1,590,918	34
Customer accounts certified to county	55,734	106,611	21,251	9,514	193,110	–
Taxes receivable	–	–	–	–	–	1,676
Due from other governmental units	5,569	6,511	2,665	297	15,042	56,142
Prepaid items	3,831	2,638	2,029	107	8,605	2,544
Total current assets	<u>3,497,435</u>	<u>3,033,448</u>	<u>1,048,610</u>	<u>242,421</u>	<u>7,821,914</u>	<u>1,067,291</u>
Noncurrent assets						
Special assessments receivable	3,146	1,319	246	122	4,833	–
Capital assets						
Land	27,577	11,459	265,166	–	304,202	36,293
Buildings and structures	6,452,565	1,330,477	–	–	7,783,042	6,786,055
Machinery and equipment	2,479,898	46,707	10,132	723	2,537,460	4,703,977
Distribution and collection systems	15,646,254	11,595,147	10,342,542	1,502,023	39,085,966	–
Construction in progress	173,593	251,651	253,048	–	678,292	–
Total capital assets	24,779,887	13,235,441	10,870,888	1,502,746	50,388,962	11,526,325
Less accumulated depreciation	(10,405,192)	(6,595,421)	(1,912,194)	(978,486)	(19,891,293)	(2,896,166)
Total capital assets (net of accumulated depreciation)	<u>14,374,695</u>	<u>6,640,020</u>	<u>8,958,694</u>	<u>524,260</u>	<u>30,497,669</u>	<u>8,630,159</u>
Total noncurrent assets	<u>14,377,841</u>	<u>6,641,339</u>	<u>8,958,940</u>	<u>524,382</u>	<u>30,502,502</u>	<u>8,630,159</u>
Total assets	<u>17,875,276</u>	<u>9,674,787</u>	<u>10,007,550</u>	<u>766,803</u>	<u>38,324,416</u>	<u>9,697,450</u>
Liabilities						
Current liabilities						
Accounts payable	24,633	2,607	12,964	15,798	56,002	23,458
Salaries payable	9,077	8,147	3,561	227	21,012	2,413
Contracts payable	3,838	62,275	–	–	66,113	1,000
Accrued bond interest payable	82,741	31,342	37,398	–	151,481	103,264
Customer deposits payable	10,530	–	–	–	10,530	–
Due to other governmental units	13,392	123,642	392	–	137,426	401
Compensated absences payable	1,751	1,611	664	42	4,068	253
Revenue bonds payable	550,000	145,000	255,000	–	950,000	100,000
Total current liabilities	<u>695,962</u>	<u>374,624</u>	<u>309,979</u>	<u>16,067</u>	<u>1,396,632</u>	<u>230,789</u>
Noncurrent liabilities						
Compensated absences payable (net of current portion)	33,760	31,054	12,799	798	78,411	4,873
Revenue bonds payable (net of current portion)	4,700,000	1,985,000	2,300,000	–	8,985,000	5,515,000
Total noncurrent liabilities	<u>4,733,760</u>	<u>2,016,054</u>	<u>2,312,799</u>	<u>798</u>	<u>9,063,411</u>	<u>5,519,873</u>
Total liabilities	<u>5,429,722</u>	<u>2,390,678</u>	<u>2,622,778</u>	<u>16,865</u>	<u>10,460,043</u>	<u>5,750,662</u>
Net assets						
Invested in capital assets, net of related debt	9,266,842	4,510,020	6,403,694	524,260	20,704,816	3,015,159
Restricted for trunk facility	–	246,811	–	–	246,811	–
Unrestricted	3,178,712	2,527,278	981,078	225,678	6,912,746	931,629
Total net assets	<u>\$12,445,554</u>	<u>\$ 7,284,109</u>	<u>\$ 7,384,772</u>	<u>\$ 749,938</u>	<u>27,864,373</u>	<u>\$ 3,946,788</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					61,635	
Net assets of business-type activities					<u>\$27,926,008</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Revenues, Expenses, and

Changes in Fund Net Assets

Proprietary Funds

For The Year Ended December 31, 2011

Statement 7

	Business-Type Activities – Enterprise Funds					Governmental Activities – Internal Service Funds
	Water	Sewer	Surface Water	Street Lights	Totals Current Year	
Operating revenues						
Customer billings	\$ 2,163,915	\$ 3,529,613	\$ 999,839	\$ 365,333	\$ 7,058,700	\$ 1,068,393
Water meter sales	9,101	–	–	–	9,101	–
Other	13,123	18,712	8,312	142	40,289	–
Total operating revenues	<u>2,186,139</u>	<u>3,548,325</u>	<u>1,008,151</u>	<u>365,475</u>	<u>7,108,090</u>	<u>1,068,393</u>
Operating expenses						
MCES sewer service charges	–	1,764,310	–	–	1,764,310	–
Administrative charges	159,140	344,840	69,780	31,070	604,830	–
Personal services	645,143	564,113	268,506	15,686	1,493,448	198,362
Materials and supplies	76,778	21,301	16,714	10,130	124,923	260,668
Water meters	1,977	–	–	–	1,977	–
Contractual services	349,209	245,246	309,313	39,492	943,260	72,017
Utilities	121,154	7,622	958	184,212	313,946	24,472
Insurance	15,473	5,609	4,027	1,020	26,129	23,519
Depreciation	609,067	295,893	214,061	36,865	1,155,886	481,085
Total operating expenses	<u>1,977,941</u>	<u>3,248,934</u>	<u>883,359</u>	<u>318,475</u>	<u>6,428,709</u>	<u>1,060,123</u>
Operating income (loss)	<u>208,198</u>	<u>299,391</u>	<u>124,792</u>	<u>47,000</u>	<u>679,381</u>	<u>8,270</u>
Nonoperating revenues (expenses)						
General property taxes	–	–	–	–	–	97,886
Earnings on investments	80,297	58,518	20,606	4,337	163,758	22,336
Gain on sale of capital assets	–	–	–	–	–	64,457
Loss on disposal of capital assets	(108,152)	–	–	–	(108,152)	(6,663)
Other	–	–	–	–	–	46,564
Interest and paying agent fees	(202,063)	(76,061)	(91,277)	–	(369,401)	(250,112)
Total nonoperating revenues (expenses)	<u>(229,918)</u>	<u>(17,543)</u>	<u>(70,671)</u>	<u>4,337</u>	<u>(313,795)</u>	<u>(25,532)</u>
Income (loss) before contributions and transfers	<u>(21,720)</u>	<u>281,848</u>	<u>54,121</u>	<u>51,337</u>	<u>365,586</u>	<u>(17,262)</u>
Capital contributions	<u>13,366</u>	<u>10,649</u>	<u>21,144</u>	<u>–</u>	<u>45,159</u>	<u>87,391</u>
Transfers						
Transfer from utility funds	–	–	–	–	–	180,600
Transfer to General Fund	(160,000)	(122,000)	(50,000)	(9,000)	(341,000)	–
Transfer to Central Garage Fund	(65,000)	(65,000)	(47,000)	(3,600)	(180,600)	–
Total transfers	<u>(225,000)</u>	<u>(187,000)</u>	<u>(97,000)</u>	<u>(12,600)</u>	<u>(521,600)</u>	<u>180,600</u>
Change in net assets	<u>(233,354)</u>	<u>105,497</u>	<u>(21,735)</u>	<u>38,737</u>	<u>(110,855)</u>	<u>250,729</u>
Net assets – January 1	<u>12,678,908</u>	<u>7,178,612</u>	<u>7,406,507</u>	<u>711,201</u>	<u>27,975,228</u>	<u>3,696,059</u>
Net assets – December 31	<u>\$ 12,445,554</u>	<u>\$ 7,284,109</u>	<u>\$ 7,384,772</u>	<u>\$ 749,938</u>	<u>\$ 27,864,373</u>	<u>\$ 3,946,788</u>
Net changes in net assets reported above					\$ (110,855)	
Amounts reported for business-type activities in the Statement of Activities are different because:						
Transfer in of capital assets from governmental activities.					17,281	
Governmental activities contribution revenue reported above					(17,281)	
Internal service funds are used by management to charge the cost of equipment maintenance and insurance to individual funds. This amount is the portion of net revenue attributable to and reported with business-type activities.					25,218	
Change in net assets of business-type activities					<u>\$ (85,637)</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Cash Flows

Proprietary Funds

For The Year Ended December 31, 2011

Statement 8

	Business-Type Activities – Enterprise Funds				Totals	Governmental Activities – Internal Service Funds
	Water	Sewer	Surface Water	Street Lights	Current Year	
Cash flows from operating activities						
Receipts from customers and users	\$ 2,105,542	\$ 3,531,126	\$ 1,011,983	\$ 364,021	\$ 7,012,672	\$ –
Receipts from interfund services provided	–	–	–	–	–	1,068,393
Payments to suppliers	(568,080)	(1,929,736)	(350,230)	(219,747)	(3,067,793)	(418,364)
Payments to employees	(641,295)	(560,303)	(268,111)	(15,569)	(1,485,278)	(200,154)
Payments for interfund services used	(159,140)	(344,840)	(69,780)	(31,070)	(604,830)	–
Miscellaneous revenue	–	–	–	–	–	46,564
Net cash provided by operating activities	<u>737,027</u>	<u>696,247</u>	<u>323,862</u>	<u>97,635</u>	<u>1,854,771</u>	<u>496,439</u>
Cash flows from noncapital financing activities						
Transfer to other funds	(225,000)	(187,000)	(97,000)	(12,600)	(521,600)	–
Cash flows from capital and related financing activities						
Proceeds from sales of capital assets	–	–	–	–	–	81,477
Acquisition and construction of capital assets	(987,793)	(978,300)	(270,492)	(65,702)	(2,302,287)	(955,967)
Receipts from taxpayers	–	–	–	–	–	96,210
Transfers from other funds	–	–	–	–	–	180,600
Capital contributions	8,354	6,656	86,571	–	101,581	120,716
Principal paid on capital debt	(460,000)	(90,000)	(225,000)	–	(775,000)	–
Interest and paying agent fees on capital debt	(195,239)	(65,908)	(90,106)	–	(351,253)	(345,324)
Net cash provided (used) by capital and related financing activities	<u>(1,634,678)</u>	<u>(1,127,552)</u>	<u>(499,027)</u>	<u>(65,702)</u>	<u>(3,326,959)</u>	<u>(822,288)</u>
Cash flows from investing activities						
Earnings on investments	<u>80,681</u>	<u>56,905</u>	<u>21,901</u>	<u>4,549</u>	<u>164,036</u>	<u>33,283</u>
Net increase (decrease) in cash and cash equivalents	(1,041,970)	(561,400)	(250,264)	23,882	(1,829,752)	(292,566)
Cash and cash equivalents – January 1	<u>3,977,866</u>	<u>2,664,496</u>	<u>1,023,689</u>	<u>150,597</u>	<u>7,816,648</u>	<u>1,295,889</u>
Cash and cash equivalents – December 31	<u>\$ 2,935,896</u>	<u>\$ 2,103,096</u>	<u>\$ 773,425</u>	<u>\$ 174,479</u>	<u>\$ 5,986,896</u>	<u>\$ 1,003,323</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 208,198	\$ 299,391	\$ 124,792	\$ 47,000	\$ 679,381	\$ 8,270
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Miscellaneous revenue	–	–	–	–	–	46,564
Depreciation	609,067	295,893	214,061	36,865	1,155,886	481,085
Decrease (increase) in receivables	(80,597)	(17,199)	3,832	(1,454)	(95,418)	(34)
Decrease (increase) in prepaid items	(2,767)	(2,246)	(1,761)	(12)	(6,786)	(670)
Increase (decrease) in payables	3,126	120,408	(17,062)	15,236	121,708	(38,776)
Total adjustments	<u>528,829</u>	<u>396,856</u>	<u>199,070</u>	<u>50,635</u>	<u>1,175,390</u>	<u>488,169</u>
Net cash provided by operating activities	<u>\$ 737,027</u>	<u>\$ 696,247</u>	<u>\$ 323,862</u>	<u>\$ 97,635</u>	<u>\$ 1,854,771</u>	<u>\$ 496,439</u>
Noncash investing, capital, and financing activities						
Contributions of capital assets -						
Governmental funds	\$ –	\$ –	\$ 17,281	\$ –	\$ 17,281	\$ –
Capital asset purchase on account -						
Accounts payable	–	–	–	–	–	(181,263)
Contracts payable	3,838	62,275	–	–	66,113	(223,039)
Due from other governmental units -						
Capital contribution	5,012	3,993	(82,708)	–	(73,703)	(33,325)
Sale of capital assets	–	–	–	–	–	20,000
Taxes receivable	–	–	–	–	–	1,676

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA
Statement of Assets and Liabilities
Agency Funds
December 31, 2011

Statement 9

Assets

Cash and investments	\$	408,316
Accrued interest receivable		928
Total assets	\$	<u>409,244</u>

Liabilities

Deposits payable	\$	<u>409,244</u>
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The accompanying notes are an integral part of these financial statements.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Shoreview, Minnesota (the City) was incorporated in 1957 and operates under the state of Minnesota Statutory Plan B (Council – Manager) form of government. The City provides the following municipal services: public safety (police, fire, civil defense, and animal control), highways and streets, sanitation and health, parks and recreation, public improvements, community development, and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America applicable to governmental units as promulgated by the American Institute of Certified Public Accountants (AICPA) and the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

A. FINANCIAL REPORTING ENTITY

In accordance with GASB pronouncements and accounting principles generally accepted in the United States of America, the financial statements of the reporting entity should include the primary government and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of their operational or financial relationship with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of service performed or provided by the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, it has been determined that the City has one component unit.

Blended Component Unit

Shoreview Economic Development Authority (EDA) - The EDA was created to carry out the housing and economic development activities within the City. The governing body consists of five members three of which are City Council members. All EDA Commissioners are appointed by the Mayor with approval by the City Council. A member may be removed by the City Council for inefficiency, neglect of duty, or misconduct in office pursuant to procedures in Minnesota Statutes 469.095. All sales of bonds or other obligations of the EDA must be approved by the City Council. The EDA is required to follow the budget process for City departments in accordance with City policy, ordinances and resolutions. All EDA budgets are approved by the City Council. Development and redevelopment actions of the EDA must be in conformance with the City Comprehensive Plan and official controls implementing the Comprehensive Plan. The EDA must submit its plan for development and redevelopment to the City Council for approval in accordance with City planning procedures and law. The administrative structure and management practices and policies of the EDA must be approved by the City Council. The EDA's activity is reported as the Economic Development Authority and Housing and Redevelopment Authority Special Revenue Funds. The EDA does not issue a separate set of financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The City's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2011

Property taxes, special assessments, intergovernmental revenues, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Community Center Operation Fund* (Special Revenue Fund type) accounts for all operations of the community center, including maintenance of the facility and services offered for a fee basis. The funds primary revenue sources are memberships, daily user fees, room rentals and concessions.

The *Recreation Programs Fund* (Special Revenue Fund type) accounts for recreational and social programs offered on a fee basis. Revenues are user fees of various programs and activities which fund administrative and direct program expenditures.

The *Street Renewal Fund* (Capital Project Fund type) provides financing for the replacement and/or rehabilitation of the City's street system. This fund has a minimum required fund balance of \$2 million per city policy.

The *General Fixed Asset Replacement Fund* (Capital Project Fund type) provides financing for the replacement of all general capital assets.

The *Capital Improvement Fund* (Capital Project Fund type) provides financing for improvements to the City's parks and trail system.

The government reports the following major proprietary funds:

The *Water Fund* accounts for the water service charges which are used to finance the water system operations.

The *Sewer Fund* accounts for the sewer service charges which are used to finance the sanitary sewer system operations.

The *Surface Water Fund* accounts for the surface water charges which are used to finance the surface water system operations.

The *Street Lights Fund* accounts for the street light charges which are used to finance the street light system operations.

Additionally, the government reports the following fund types:

Internal service funds account for the activities of the City's *short-term disability self-insurance, liability claims, and central garage funds*. These services are provided to other departments of the City on a cost reimbursement basis.

Agency funds account for the assets of the *Hockey Association and Lake Johanna Volunteer Fire Department* held by the City in a custodial capacity as an agent.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures, or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, which are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, Surface Water, and Street Lights Funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for an allowable use, it is the City's policy to use the restricted resources first, then unrestricted resources as they are needed.

D. BUDGETS

Budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General Fund and all special revenue funds. Budgeted expenditure appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management.

E. LEGAL COMPLIANCE – BUDGETS

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The city manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution on a departmental basis (general government, public safety, public works, parks and recreation, community development, and miscellaneous) which is the legal level of control, and can be expended by each department based upon detailed budget estimates for individual expenditure accounts.
4. The city manager is authorized to transfer appropriations within any department budget. Adjustments to appropriations between departments or between funds, and budget additions and deletions must be authorized by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the debt service funds. Supplementary budgets are adopted for the proprietary funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operations and capital maintenance and are not reflected in the financial statements.
7. A capital improvement program is reviewed annually by the City Council for the capital project funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.

The following is a listing of nonmajor special revenue funds whose expenditures exceeded budget appropriations:

	Original and Final Budget	Actual	Over Budget
Nonmajor funds			
Special revenue fund			
Recycling – Public Works	\$ 443,173	\$ 449,107	\$ 5,934
Slice of Shoreview Event – General Government	50,000	56,660	6,660

The overexpenditures were funded by available fund balance and revenues in excess of budget.

F. CASH AND INVESTMENTS

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Earnings from investments are allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund balances are eliminated on the government-wide financial statements.

Investments are generally stated at fair value, except for investments in 2a7-like external investment pools, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the proprietary fund types have original maturities of 90 days or less. Therefore, the entire balance in such fund types are considered to be cash equivalents.

G. RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "interfund receivables/payables." All short-term interfund receivables and payables at year-end are planned to be eliminated in the subsequent year. Long-term interfund loans are classified as "interfund loan receivable/payable." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Internal balances on the Statement of Net Assets also consist of prior and current year internal service fund costs in excess of charges to business-type activities.

Property taxes and special assessment receivables have been reported net of estimated uncollectible accounts (See Note 1 H and I). Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

H. PROPERTY TAX REVENUE RECOGNITION

The City Council annually adopts a tax levy and certifies it to the county in December (levy/assessment date) of each year for collection in the following year. The county is responsible for billing and collecting all property taxes for itself, the City, the local school district, and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the county and remitted to the City on or before July 15 and December 15 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The county possesses this authority.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes property tax revenue in the period for which taxes were levied. Uncollectible property taxes are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and state credits received by the City in July, December, and January are recognized as revenue for the current year. Taxes collected by the county by December 31 (remitted to the City the following January) and taxes and credits not received at year-end are classified as delinquent and due from county taxes receivable. The portion of delinquent taxes not collected by the City in January is fully offset by deferred revenue because they are not available to finance current expenditures.

The City's property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per Minnesota Statute § 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the City through this formula for 2011 totaled \$856,614. Receipt of property taxes from this "fiscal disparities pool" does not increase or decrease total tax revenue.

I. SPECIAL ASSESSMENT REVENUE RECOGNITION

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with state statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale and the first proceeds of that sale (after costs, penalties, and expenses of sale) are remitted to the City in payment of delinquent special assessments. Generally, the City will collect the full amount of its special assessments not adjusted by City Council or court action. Pursuant to state statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded or is agricultural or seasonal recreational land, in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the county by December 31 (remitted to the City the following January) are also recognized as revenue for the current year. All remaining delinquent, deferred, and special deferred assessments receivable in governmental funds are completely offset by deferred revenues.

J. INVENTORIES

The original cost of materials and supplies has been recorded as expenditures at the time of purchase for both the governmental and proprietary funds. These funds do not maintain material amounts of materials and supplies.

K. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

L. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e. those reported by governmental activities) the City chose to include all such items regardless of their acquisition date. These assets are reported at historical cost.

The City estimated historical cost for the initial reporting of these assets through back trending (estimating the current replacement cost and utilizing an appropriate price-level index to deflate the cost to the acquisition year). As the City constructs or acquires additional infrastructure assets each period, they will be capitalized and reported at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the

capitalized value of the assets constructed. For the year ended December 31, 2011, no interest was capitalized in connection with construction in progress.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Assets	
Building and structures	20–75 years
Machinery and equipment	5–20 years
Distribution and collection systems	50 years
Streets	35 years
Street lights	25 years
Trails and sidewalks	25–30 years
Pedestrian tunnels and bridges	35 years

M. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused annual leave and sick pay benefits. All annual leave is accrued when incurred in the government-wide and proprietary fund financial statements. Annual leave is payable when used or upon termination of employment. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of Statement of Government Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that is vested as severance pay. Sick leave is payable when used and in some cases upon termination of employment. For regular employees, sick leave is payable upon retirement after at least 10 years of service at a rate of 33-1/3 percent of accumulated sick leave. The recorded portion of sick leave represents employees with 10 years of service and over the age of 55. The remaining amounts are not recorded as liabilities because payment is not probable.

N. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are immaterial and are expensed in the year of bond issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. FUND BALANCE CLASSIFICATIONS

In the fund financial statements, governmental funds report fund balances in classifications that disclose constraints for which those fund balances can be spent. These classifications are as follows:

Nonspendable – consists of amounts that are not in spendable form, such as prepaid items.

Restricted – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed – consist of internally imposed constraints. These constraints are established by Resolution of the City Council.

Assigned – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council and/or management as authorized by council.

Unassigned – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for an allowable use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order; 1) committed 2) assigned 3) unassigned.

P. NET ASSETS

In the government-wide and proprietary fund financial statements, net assets represent the difference between assets and liabilities. Net assets are displayed in three components:

Invested in Capital Assets, Net of Related Debt – Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.

Restricted Net Assets – Consists of net assets restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted Net Assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Q. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

R. USE OF ESTIMATES

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

S. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2011, the City has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. More information on these fund balance classifications is included elsewhere in these notes.

Note 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

The governmental fund Balance Sheet includes a reconciliation between *fund balances – total governmental funds* and *net assets – governmental activities* as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this (\$17,323,006) difference are as follows:

Long-term debt payable	\$ (16,890,000)
Accrued interest payable	(183,212)
Compensated absences	<u>(249,794)</u>
Net adjustment to reduce fund balances – total governmental funds to arrive at net assets – governmental activities	<u>\$ (17,323,006)</u>

Another element of that reconciliation explains that “internal service funds are used by management to charge the costs of fleet management, short-term disability insurance, and liability claims to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.” The details of this \$3,885,153 difference are as follows:

Net assets of the internal service funds	\$ 3,946,788
Add: Internal payable representing charges in excess of costs to business-type activities – prior years	(36,417)
Add: Internal payable representing charges in excess of costs to business-type activities – current year	<u>(25,218)</u>
Net adjustment to increase fund balances – total governmental funds to arrive at net assets – governmental activities	<u>\$ 3,885,153</u>

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$148,313 difference are as follows:

Capital outlay	\$ 2,191,037
Developer contributions	261,240
Depreciation expense	<u>(2,303,964)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 148,313</u>

Another element of that reconciliation states that “revenues on the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this (\$357,746) difference are as follows:

General property taxes deferred revenue	
At December 31, 2010	\$ (117,690)
At December 31, 2011	87,509
Special assessments deferred revenue	
At December 31, 2010	(708,642)
At December 31, 2011	683,060
Loan receivable deferred revenue	
At December 31, 2010	(21,750)
At December 31, 2011	–
Municipal State Aid Construction deferred revenue	
At December 31, 2010	(280,233)
At December 31, 2011	<u>–</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (357,746)</u>

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2011

Another element of that reconciliation states that “the issuance of long-term debt (e.g. bonds and leases) provides current financial resources to governmental funds, while the repayment of the long-term debt consumes the current financial resources of governmental funds.” Neither transaction, however, has any effect on net assets. The details of this \$915,000 difference are as follows:

Debt issued or incurred	
Refunding certificates of participation of 2011	\$ (4,620,000)
Principal repayments	
General obligation improvement bonds	260,000
General obligation tax increment bonds	350,000
General obligation capital improvement plan bonds	100,000
General obligation street reconstruction bonds	145,000
Certificates of participation	<u>4,680,000</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 915,000</u>

Another element of that reconciliation states that “some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$10,071 difference are as follows:

Compensated absences	\$ 8,611
Accrued interest	<u>1,460</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 10,071</u>

Note 3 DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a failure, the City’s deposits may be lost.

Minnesota Statutes require that all city deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2011

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the city treasurer or in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. Authorized collateral includes the following:

- a) United States government treasury bills, treasury notes, and treasury bonds;
- b) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- c) General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- d) Unrated general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- e) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation; and
- f) Time deposits that are fully insured by any federal agency.

The City has no additional deposit policies addressing custodial credit risk.

At year-end, the carrying amount of the City's deposits was (\$249,462) and the bank balance was \$56,495. The entire bank balance was covered by federal depository insurance.

CITY OF SHOREVIEW
Notes to Financial Statements
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B. INVESTMENTS

As of December 31, 2011, the City had the following cash and investments:

Investment Type	Concentration Risk	Interest Risk – Maturity Duration in Years				Carrying Amount at Fair Value
	Over 5% of Portfolio	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years	
Federal National Mortgage Association	33.4%	\$ –	\$ 1,675,431	\$ 1,106,412	\$ 5,287,986	\$ 8,069,829
Federal Home Loan Bank	4.8%	–	–	1,149,654	–	1,149,654
Federal Home Loan Mortgage Corporation	22.5%	–	–	5,423,984	–	5,423,984
Marketable certificates of deposit	4.3%	1,032,100	–	–	–	1,032,100
Money market funds						
Minnesota Municipal Money Market	N/A	6,152,424	–	–	–	6,152,424
Western Asset Institutional Govt. Reserves Institutional Shares	N/A	2,207,449	–	–	–	2,207,449
Wells Fargo Advantage Government Money Market Fund	N/A	112,966	–	–	–	112,966
Total investments		<u>\$ 9,504,939</u>	<u>\$ 1,675,431</u>	<u>\$ 7,680,050</u>	<u>\$ 5,287,986</u>	24,148,406
Deposits						(249,462)
Petty cash						<u>11,970</u>
Totals						<u>\$ 23,910,914</u>
Government-Wide Statement of Net Assets						\$ 23,502,598
Fiduciary Funds Statement of Net Assets						<u>408,316</u>
Totals						<u>\$ 23,910,914</u>

N/A – Not Applicable

The Minnesota Municipal Money Market Fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under rule 2a7. The City's investment in this trust is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. The fund is not rated by a nationally recognized rating agency.

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy addressing this risk, but typically limits its exposure by only purchasing insured or registered investments, or by the control of who holds the securities.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes authorize the City to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities, or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a national bond rating service, and all of the investments have a final maturity of 13 months or less, and whose only investments are in securities described in (a) above, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements.
- c) Obligations of the state of Minnesota or any of its municipalities as follows:
 - 1) any security which is a general obligation of any state or local government with taxing powers which is rated “A” or better by a national bond rating service;
 - 2) any security which is a revenue obligation of any state or local government with taxing powers which is rated “AA” or better by a national bond rating service; and
 - 3) a general obligation of the Minnesota housing finance agency which is a moral obligation of the state of Minnesota and is rated “A” or better by a national bond rating agency.
- d) Bankers acceptance of United States banks eligible for purchase by the Federal Reserve System.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two national rating agencies, and maturing in 270 days or less.
- f) Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories by a national bond rating agency.
- g) Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the governmental entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers; or, a bank qualified as a depositor.
- h) General obligation temporary bonds of the same governmental entity issued under § 429.091, Subdivision 7; § 469.178, Subdivision 5; or § 475.61, Subdivision 6.

The City’s investment policy does not further address credit risk. As of December 31, 2011, the City’s investment in obligations of U.S. government agencies that are only implicitly guaranteed by the U.S. government (e.g., securities issued by the Federal National Mortgage Association, the Federal Home Loan Bank, and the Federal Home Loan Mortgage Corporation), the Western Asset Institutional Government Reserves Institutional shares, and Wells Fargo Advantage Government Money Market Fund received AAA credit ratings from Moody’s Investors Service, Inc. and AA+ from Standard & Poor’s Corporation.

Concentration Risk – This is the risk associated with investing a significant portion of the City’s investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The City’s investment policies do not limit the concentration of investments.

CITY OF SHOREVIEW
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Interest Rate Risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City does not have an investment policy limiting the duration of investments.

Note 4 RECEIVABLES/DEFERRED REVENUE

Significant receivable balances not expected to be collected within one year of December 31, 2011 are as follows:

	Accounts Receivable	Certified Utility Accounts Receivable	Utility Customer Accounts Receivable	Delinquent Property Taxes	Special Assessment Receivable	Total
Major funds						
General	\$ 3,298	\$ —	\$ —	\$ 27,139	\$ —	\$ 30,437
Street Renewal	—	—	—	3,147	31,096	34,243
General Fixed Asset Replacement	—	—	—	4,872	—	4,872
Capital Improvement	—	—	—	418	5	423
Water	—	10,642	41,329	—	239	52,210
Sewer	—	20,358	66,098	—	—	86,456
Surface Water	—	4,058	20,141	—	—	24,199
Street Lights	—	1,817	7,099	—	—	8,916
Nonmajor governmental funds	—	—	—	2,841	573,491	576,332
	<u>\$ 3,298</u>	<u>\$ 36,875</u>	<u>\$ 134,667</u>	<u>\$ 38,417</u>	<u>\$ 604,831</u>	<u>\$ 818,088</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Major Funds					Total
	General Fund	Street Renewal	General Fixed Asset Replacement	Capital Improvement	Nonmajor Funds	
Unavailable						
Delinquent property taxes receivable	\$ 55,272	\$ 6,409	\$ 9,923	\$ 852	\$ 15,053	\$ 87,509
Special assessments not yet due	—	35,575	—	250	647,235	683,060
Total unavailable revenue	<u>55,272</u>	<u>41,984</u>	<u>9,923</u>	<u>1,102</u>	<u>662,288</u>	<u>770,569</u>
Unearned						
Grant revenue received, but not yet earned	10,815	—	—	—	—	10,815
Lease reimbursements received but not yet earned	9,762	—	—	—	—	9,762
Antenna rental fees received, but not yet earned	—	—	—	67,360	—	67,360
Total unearned revenue	<u>20,577</u>	<u>—</u>	<u>—</u>	<u>67,360</u>	<u>—</u>	<u>87,937</u>
Total deferred (unavailable) unearned revenue for governmental funds	<u>\$ 75,849</u>	<u>\$ 41,984</u>	<u>\$ 9,923</u>	<u>\$ 68,462</u>	<u>\$ 662,288</u>	<u>\$ 858,506</u>

CITY OF SHOREVIEW
Notes to Financial Statements
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Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary government					
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 7,707,490	\$ 16,855	\$ —	\$ —	\$ 7,724,345
Construction in progress	6,527,528	1,819,477	55,660	(6,722,513)	1,568,832
Total capital assets, not being depreciated	14,235,018	1,836,332	55,660	(6,722,513)	9,293,177
Capital assets, being depreciated					
Building and structures	28,499,635	183,813	—	5,262,783	33,946,231
Machinery and equipment	6,288,161	705,276	443,528	675,933	7,225,842
Infrastructure	55,620,543	261,240	57,777	783,797	56,607,803
Total capital assets, being depreciated	90,408,339	1,150,329	501,305	6,722,513	97,779,876
Less accumulated depreciation for					
Building and structures	7,839,764	681,345	—	—	8,521,109
Machinery and equipment	3,333,772	472,827	378,142	—	3,428,457
Infrastructure	31,032,427	1,630,877	57,777	—	32,605,527
Total accumulated depreciation	42,205,963	2,785,049	435,919	—	44,555,093
Total capital assets being depreciated – net	48,202,376	(1,634,720)	65,386	6,722,513	53,224,783
Governmental activities capital assets – net	\$ 62,437,394	\$ 201,612	\$ 121,046	\$ —	\$ 62,517,960
	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary government					
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 304,202	\$ —	\$ —	\$ —	\$ 304,202
Construction in progress	706,748	2,330,603	—	(2,359,059)	678,292
Total capital assets, not being depreciated	1,010,950	2,330,603	—	(2,359,059)	982,494
Capital assets, being depreciated					
Building and structures	7,340,611	13,712	373,426	802,145	7,783,042
Machinery and equipment	2,537,460	—	—	—	2,537,460
Distribution and collection system	37,498,984	41,366	11,298	1,556,914	39,085,966
Total capital assets, being depreciated	47,377,055	55,078	384,724	2,359,059	49,406,468
Less accumulated depreciation for					
Building and structures	2,894,490	231,577	265,274	—	2,860,793
Machinery and equipment	167,754	101,230	—	—	268,984
Distribution and collection system	15,949,735	823,079	11,298	—	16,761,516
Total accumulated depreciation	19,011,979	1,155,886	276,572	—	19,891,293
Total capital assets being depreciated – net	28,365,076	(1,100,808)	108,152	2,359,059	29,515,175
Business-type activities capital assets – net	\$ 29,376,026	\$ 1,229,795	\$ 108,152	\$ —	\$ 30,497,669

CITY OF SHOREVIEW
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Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities	
General government	\$ 137,429
Public safety	85,490
Public works	1,629,716
Parks and recreation	451,329
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>481,085</u>
Total depreciation expense – governmental activities	<u>\$ 2,785,049</u>
Business-type activities	
Water	\$ 609,067
Sewer	295,893
Surface water	214,061
Street lights	<u>36,865</u>
Total depreciation expense – business-type activities	<u>\$ 1,155,886</u>

COMMITMENTS

At December 31, 2011, the City had construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

<u>Project</u>	<u>Amount</u>
Buffalo Lane Street Reconstruction	\$ 2,389
2011 MSA Street Rehabilitation	728
Water System Improvements	1,640
Sanitary Sewer Lift Station Renevation and Repair	58,850

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2011

Note 6 LONG-TERM DEBT

The City issues general obligation bonds and certificates of participation to provide funds for the acquisition and construction of major capital facilities. The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

GOVERNMENTAL ACTIVITIES

As of December 31, 2011, the governmental activities long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Authorized and Issued	Outstanding 12/31/2011
G.O. improvement bonds					
1995 Improvement Bonds	12/01/1995	02/01/2012	4.10–5.50	\$ 850,000	\$ 65,000
2001 Improvement Bonds	11/01/2001	02/01/2012	2.65–4.05	635,000	80,000
2002 Improvement Bonds	11/01/2002	02/01/2014	2.50–3.65	430,000	145,000
2004 Improvement Bonds	02/01/2004	02/01/2016	1.25–3.75	455,000	225,000
2006 Improvement Bonds	03/01/2006	02/01/2022	3.25–4.00	205,000	145,000
2008 Improvement Bonds	11/15/2008	02/01/2025	3.50–4.375	330,000	315,000
2009 Improvement Bonds	11/15/2009	02/01/2021	3.00–4.00	235,000	235,000
2010 Improvement Bonds	12/16/2010	02/01/2022	1.00–4.00	140,000	140,000
Total G.O. improvement bonds				<u>3,280,000</u>	<u>1,350,000</u>
G.O. tax increment bonds					
G.O. Tax Increment Refunding of 2004	02/01/2004	02/01/2013	1.50–3.40	2,625,000	740,000
G.O. Tax Increment Refunding of 2007	11/01/2007	12/01/2015	4.00	<u>1,090,000</u>	<u>1,090,000</u>
Total G.O. tax increment bonds				<u>3,715,000</u>	<u>1,830,000</u>
Other G.O. improvement bonds					
G.O. Capital Improvement Plan Bonds of 2004	10/01/2004	02/01/2020	2.00–4.10	1,600,000	1,075,000
G.O. Street Reconstruction Bonds of 2006	06/01/2006	02/01/2022	4.00–4.20	2,500,000	2,015,000
G.O. Capital Improvement Plan Bonds of 2010	03/10/2010	02/01/2030	1.20–5.85	5,615,000	5,615,000
Total other G.O. improvement bonds				<u>9,715,000</u>	<u>8,705,000</u>
Loan payable					
Metropolitan Right-of-Way Acquisition Loan Fund	09/26/2006	N/A	–	<u>6,000,000</u>	<u>6,000,000</u>
Certificates of participation					
Refunding Certificates of Participation 2011	04/01/2011	08/01/2023	2.00–3.75	<u>4,620,000</u>	<u>4,620,000</u>
Compensated absences	N/A	N/A	N/A	<u>N/A</u>	<u>254,920</u>
Total city indebtedness – governmental activities				<u>\$27,330,000</u>	<u>\$22,759,920</u>

N/A – Not Applicable

CITY OF SHOREVIEW
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BUSINESS-TYPE ACTIVITIES

As of December 31, 2011, the business-type activities long-term debt of the City consisted of the following:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Authorized and Issued</u>	<u>Outstanding 12/31/2011</u>
G.O. revenue bonds					
Water Revenue Bonds of 1999	11/01/1999	02/01/2012	4.15–5.20	\$ 1,015,000	\$ 110,000
Water Revenue Bonds of 2001	11/01/2001	02/01/2012	2.30–4.05	680,000	80,000
Water Revenue Bonds of 2002	11/01/2002	02/01/2014	2.50–3.65	295,000	90,000
Surface Water Revenue Bonds of 2002	11/01/2002	02/01/2014	2.50–3.65	475,000	145,000
Water Revenue Bonds of 2004	02/01/2004	02/01/2016	1.25–3.75	445,000	175,000
Sewer Revenue Bonds of 2004	02/01/2004	02/01/2016	1.25–3.75	395,000	185,000
Surface Water Revenue Bonds of 2004	02/01/2004	02/01/2016	1.25–3.75	535,000	245,000
Water Revenue Bonds of 2006	03/01/2006	02/01/2022	3.25–4.00	860,000	675,000
Sewer Revenue Bonds of 2006	03/01/2006	02/01/2022	3.25–4.00	270,000	210,000
Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15	845,000	720,000
Sewer Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15	260,000	220,000
Surface Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15	600,000	510,000
Water Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5–4.375	2,365,000	2,160,000
Sewer Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5–4.375	580,000	530,000
Surface Water Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5–4.375	230,000	210,000
Surface Water Revenue Bonds of 2009	11/15/2009	02/01/2021	3.00–4.00	1,180,000	1,090,000
Water Revenue Bonds of 2010	12/16/2010	02/01/2026	0.75–4.60	1,240,000	1,240,000
Sewer Revenue Bonds of 2010	12/16/2010	02/01/2026	0.75–4.60	985,000	985,000
Surface Water Revenue Bonds of 2010	12/16/2010	02/01/2026	0.75–4.60	355,000	355,000
Total G.O. revenue bonds				<u>13,610,000</u>	<u>9,935,000</u>
Compensated absences payable	N/A	N/A	N/A	<u>N/A</u>	<u>82,479</u>
Total city indebtedness – business-type activities				<u>\$ 13,610,000</u>	<u>\$ 10,017,479</u>

N/A – Not Applicable

CITY OF SHOREVIEW
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December 31, 2011

GOVERNMENTAL ACTIVITIES

Annual debt service requirements to maturity for the governmental activities long-term debt are as follows:

Year Ending December 31,	G.O. Improvement Bonds		G.O. Tax Increment Bonds		Other G.O. Improvement Bonds		Certificates of Participation	
	Governmental Activities		Governmental Activities		Governmental Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 285,000	\$ 44,124	\$ 510,000	\$ 62,192	\$ 350,000	\$ 364,980	\$ 290,000	\$ 173,353
2013	160,000	35,730	630,000	44,290	505,000	352,550	345,000	124,215
2014	160,000	30,338	340,000	27,600	515,000	337,743	350,000	117,315
2015	125,000	25,520	350,000	14,000	530,000	321,244	360,000	110,315
2016	115,000	21,471	—	—	550,000	302,925	365,000	102,935
2017	80,000	18,139	—	—	565,000	282,995	375,000	94,540
2018	70,000	15,513	—	—	590,000	261,080	390,000	84,978
2019	70,000	12,986	—	—	610,000	236,972	400,000	74,058
2020	75,000	10,229	—	—	630,000	211,124	415,000	62,057
2021	75,000	7,248	—	—	510,000	186,552	430,000	48,155
2022	50,000	4,719	—	—	530,000	163,360	440,000	33,750
2023	25,000	3,156	—	—	315,000	143,908	460,000	17,250
2024	30,000	1,969	—	—	325,000	128,385	—	—
2025	30,000	656	—	—	335,000	112,047	—	—
2026	—	—	—	—	345,000	94,530	—	—
2027	—	—	—	—	355,000	75,625	—	—
2028	—	—	—	—	370,000	55,410	—	—
2029	—	—	—	—	380,000	34,033	—	—
2030	—	—	—	—	395,000	11,554	—	—
Total	<u>\$ 1,350,000</u>	<u>\$ 231,798</u>	<u>\$ 1,830,000</u>	<u>\$ 148,082</u>	<u>\$ 8,705,000</u>	<u>\$ 3,677,017</u>	<u>\$ 4,620,000</u>	<u>\$ 1,042,921</u>

It is not practical to determine the specific year for payment of long-term accrued compensated absences.

The Metropolitan Right-of-Way Acquisition Loan Fund loan payable repayment is subject to conveyance of the property purchased with the loan to the Minnesota Department of Transportation and the timing of highway improvements is currently not known; therefore, it is not practical to determine the annual requirements to amortize this non-interest bearing note.

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BUSINESS-TYPE ACTIVITIES

Annual debt service requirements to maturity for the business-type long-term debt are as follows:

Year Ending December 31,	G.O. Revenue Bonds	
	Business-Type Activities	
	Principal	Interest
2012	\$ 950,000	\$ 347,971
2013	780,000	320,635
2014	800,000	296,304
2015	750,000	271,556
2016	750,000	246,841
2017	665,000	222,926
2018	685,000	199,176
2019	705,000	173,602
2020	730,000	146,060
2021	760,000	116,538
2022	655,000	87,918
2023	585,000	62,096
2024	450,000	39,874
2025	470,000	19,604
2026	200,000	4,600
Total	<u>\$ 9,935,000</u>	<u>\$ 2,555,701</u>

It is not practical to determine the specific year for payment of long-term accrued compensated absences.

CITY OF SHOREVIEW
Notes to Financial Statements
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CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
G.O. improvement bonds	\$ 1,610,000	\$ —	\$ 260,000	\$ 1,350,000	\$ 285,000
G.O. tax increment bonds	2,180,000	—	350,000	1,830,000	510,000
Other G.O. improvement bonds	8,950,000	—	245,000	8,705,000	350,000
Total bonds payable	12,740,000	—	855,000	11,885,000	1,145,000
Loans payable	6,000,000	—	—	6,000,000	—
Certificates of participation	4,680,000	4,620,000	4,680,000	4,620,000	290,000
Compensated absences	264,783	323,702	333,565	254,920	12,573
Total governmental activity long-term liabilities	<u>\$ 23,684,783</u>	<u>\$ 4,943,702</u>	<u>\$ 5,868,565</u>	<u>\$ 22,759,920</u>	<u>\$ 1,447,573</u>
Business-type activities					
G.O. revenue bonds	\$ 10,710,000	\$ —	\$ 775,000	\$ 9,935,000	\$ 950,000
Compensated absences	73,518	116,853	107,892	82,479	4,068
Total business-type activity long-term liabilities	<u>\$ 10,783,518</u>	<u>\$ 116,853</u>	<u>\$ 882,892</u>	<u>\$ 10,017,479</u>	<u>\$ 954,068</u>

The governmental activities loans payable and compensated absences are generally liquidated by the General Fund, special revenue funds, and capital project funds.

Financing of the certificates of participation will be provided from the General Fund, General Fixed Asset Replacement Fund, and Capital Improvement Fund.

All general obligation indebtedness outstanding at December 31, 2011 is backed by the full faith and credit of the City, including improvement, tax increment, other improvement, and revenue bonds. Delinquent assessments receivable at December 31, 2011 totaled \$2,746.

In 2010, the City issued taxable "Build America Bonds," and will receive direct payment from the federal government of an amount equal to 35 percent of the amount of interest payable on each interest payment date.

ADVANCE REFUNDING

On April 1, 2011, the City issued the \$4,620,000 Refunding Certificates of Participation, Series 2011A to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources to pay all future debt service payments of the \$6,175,000 Certificates of Participation, Series 2002A. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This advance refunding was undertaken to reduce total debt service payments over the next twelve years by \$137,398 and resulting in an economic gain of \$167,750. As of December 31, 2011, \$4,410,000 of debt is defeased.

Note 7 PENSION PLANS

A. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) – DEFINED BENEFIT

PLAN DESCRIPTION

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statutes, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For all GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated Plan members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF. That report may be obtained on the web at WWW.mnpera.org; by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or (800) 652-9026.

FUNDING POLICY

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State Legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.1 percent and 6.25 percent, respectively, of their annual covered salary in 2011. The City is required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan members and 7.25 percent for Coordinated Plan members. The City's contributions for the years 2011, 2010, and 2009 were \$383,811, \$366,692 and \$347,240 respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statutes.

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) – DEFINED CONTRIBUTION

Four councilmembers and the mayor of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. The plan provisions are established and administered in accordance with Minnesota Statutes, Chapter 353D.03, which may be amended by the State Legislature and specifies the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2011 were:

	Amount		Percentage of Covered Payroll		Required Rates
	<u>Employees</u>	<u>Employer</u>	<u>Employees</u>	<u>Employer</u>	
PEDCP	<u>\$ 1,461</u>	<u>\$ 1,461</u>	5.00%	5.00%	5.00%

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2011

Note 8 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund receivable and payable balances at December 31, 2011 are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Nonmajor governmental funds	<u>\$ 71,333</u>	<u>\$ 71,333</u>

Interfund receivables/payables are used for temporary cash deficits. These balances will be eliminated by future tax receipts, intergovernmental revenue and grants.

Interfund transfers:

<u>Transfers out</u>	<u>Transfer In</u>					<u>Total</u>
	<u>General Fund</u>	<u>Community Center Operation Fund</u>	<u>Recreation Programs Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Funds</u>	
General Fund	\$ —	\$ 227,000	\$ 65,000	\$ 459,145	\$ —	\$ 751,145
Recreation Programs Fund	—	70,000	—	—	—	70,000
Street Renewal Fund	—	—	—	196,651	—	196,651
General Fixed Asset Replacement Fund	—	—	—	409,190	—	409,190
Capital Improvement Fund	—	—	—	205,655	—	205,655
Nonmajor governmental funds	130,450	—	—	1,821,871	—	1,952,321
Water Fund	160,000	—	—	—	65,000	225,000
Sewer Fund	122,000	—	—	—	65,000	187,000
Surface Water Fund	50,000	—	—	—	47,000	97,000
Street Lights Fund	9,000	—	—	—	3,600	12,600
Total transfers out	<u>\$ 471,450</u>	<u>\$ 297,000</u>	<u>\$ 65,000</u>	<u>\$ 3,092,512</u>	<u>\$ 180,600</u>	<u>\$ 4,106,562</u>

Interfund transfers allow the City to allocate financial resources to the funds that receive benefits from services provided by another fund. All of the City's interfund transfers fall under that category. All of the 2011 transfers are considered routine and consistent with previous practices.

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2011

Note 9 CAPITAL LEASE

During 2011, the City issued refunding certificates of participation for the lease of the community center expansion area. The lease is paid in semi-annual installments, and final payment is due August 1, 2023. Depreciation in the amount of \$75,598 has been recorded as depreciation expense during 2011.

The net book value of assets under capital lease at December 31, 2011 is as follows:

	<u>December 31, 2011</u>
Building and structures	\$ 5,359,094
Accumulated depreciation	<u>642,581</u>
Net	<u><u>\$ 4,716,513</u></u>

The following is a schedule of future minimum lease payments under the capital lease:

<u>Year</u>	<u>Community Center Expansion</u>
2012	\$ 463,353
2013	469,215
2014	467,315
2015	470,315
2016	467,935
2017	469,540
2018	474,978
2019	474,058
2020	477,057
2021	478,155
2022	473,750
2023	<u>477,250</u>
Total	5,662,921
Less amount representing interest	<u>(1,042,921)</u>
Present value of minimum lease payments	<u><u>\$ 4,620,000</u></u>

Note 10 OPERATING LEASE PAYABLE

The City leases nine copier machines under five separate lease agreements. One lease expired in June 2011, two expire in December 2012, with the others expiring January 2013, and May 2015; and call for monthly lease payments of \$200, \$862, \$183, \$78 and \$2,054 respectively. The City leases eight treadmills, eight elliptical machines, and four adaptive motion trainers under three separate lease agreements for the community center. One lease expired in December 2011, the others expire in September and October 2013; and call for monthly lease payments of \$1,151, \$1,066 and \$1,445 respectively. Lease expenditures for the year ended December 31, 2011 amounted to \$83,315.

Future minimum annual lease payments at December 31, 2011 are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Copiers</u>	<u>Exercise</u> <u>Equipment</u>	<u>Total</u>
2012	\$ 37,298	\$ 30,136	\$ 67,434
2013	24,721	24,047	48,768
2014	24,643	—	24,643
2015	8,214	—	8,214
Total	<u>\$ 94,876</u>	<u>\$ 54,183</u>	<u>\$ 149,059</u>

Note 11 COMMITMENTS AND CONTINGENCIES

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers' compensation coverage for City employees and councilmembers is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers' Compensation Reinsurance Association (WCRA) as required by law. For workers' compensation, the City is not subject to a deductible. The City's workers' compensation coverage prior to December 1, 2004 is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Other insurance coverage is provided through a pooled self-insurance program through LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for deductible portions. These deductibles are considered immaterial to the financial statements.

The City continues to carry commercial insurance for other risks of loss, including disability insurance. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2011

The City established the Short-Term Disability Self Insurance Fund to account for the receipt of monthly premiums paid by employees and costs incurred in providing short-term disability insurance to employees on a self-insured basis. Under this program, the Short-Term Disability Self Insurance Fund provides coverage for losses up to two-thirds of any employees' gross wages. Benefits begin on the sixteenth working day and cover up to three calendar months. The City purchases commercial insurance for long-term disability for claims which exceed three months.

The City established the Liability Claims Fund to account for losses in the City's general package insurance. Under this program, the Liability Claims Fund provides coverage for losses up to \$25,000 for each claim (annual aggregate is \$75,000).

All funds of the City participate in these two programs and make payments to these funds based on historical cost information. GASB Statement No. 10 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. As of the date of the report, liabilities that have occurred are immaterial.

B. LITIGATION

The City attorney has indicated that existing and pending lawsuits, claims, and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

C. FEDERAL AND STATE FUNDS

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2011.

D. TAX INCREMENT DISTRICTS

The City's tax increment districts are subject to review by the state of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

Note 12 DEFERRED AD VALOREM TAX LEVIES – BONDED DEBT

General obligation bond issues sold by the City are financed by ad valorem tax levies. General obligation improvement bond issues sold by the City are partially financed by ad valorem tax levies in addition to special assessments levied against the benefiting properties. When a bond issue is to be financed partially or completely by ad valorem tax levies is sold, specific annual amounts of such tax levies are stated in the bond resolution and the county auditor is notified and instructed to levy these taxes over the appropriate years. The future tax levies are subject to cancellation when and if the City has provided alternative sources of financing. The City Council is required to levy any additional taxes found necessary for full payment of principal and interest. These future scheduled tax levies are

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2011

not shown as assets in the accompanying financial statements at December 31, 2011. Future scheduled tax levies for all bonds outstanding at December 31, 2011 totaled \$11,909,766.

Note 13 FUND BALANCES

A. CLASSIFICATIONS

At December 31, 2011, a summary of the governmental fund balance classifications are as follows:

	General Fund	Major Special Revenue Funds Community Center Operations	Recreation Programs	Major Capital Project Funds	Other Funds	Total
Nonspendable						
Prepaid items	\$ 17,954	\$ 5,039	\$ 4,443	\$ —	\$ 442	\$ 27,878
Restricted for						
Business loan program	—	—	—	—	165,777	165,777
Cable Television	—	—	—	—	61,082	61,082
Debt service	—	—	—	—	1,520,502	1,520,502
Economic development	—	—	—	—	19,474	19,474
Housing and redevelopment	—	—	—	—	35,675	35,675
Tax increment purposes	—	—	—	—	4,152,847	4,152,847
Total restricted	—	—	—	—	5,955,357	5,955,357
Committed to						
Community Center operations	—	823,248	—	—	—	823,248
Recreation programs	—	—	540,762	—	—	540,762
Street improvements	—	—	—	2,382,263	—	2,382,263
Fixed asset replacements	—	—	—	479,856	—	479,856
Park improvements	—	—	—	482,189	—	482,189
Recycling	—	—	—	—	114,907	114,907
Cable TV	—	—	—	—	154,491	154,491
Slice of Shoreview event	—	—	—	—	52,558	52,558
Total committed	—	823,248	540,762	3,344,308	321,956	5,030,274
Assigned to						
Debt service	—	—	—	—	736,845	736,845
Street improvements	—	—	—	—	422,832	422,832
Computer systems	—	—	—	—	41,047	41,047
Total assigned	—	—	—	—	1,200,724	1,200,724
Unassigned	3,958,458	—	—	—	(46,333)	3,912,125
Total	\$ 3,976,412	\$ 828,287	\$ 545,205	\$ 3,344,308	\$ 7,432,146	\$ 16,126,358

B. MINIMUM UNASSIGNED FUND BALANCE POLICY

The City Council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the City's goal

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2011

to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes. The policy also addresses the potential for unanticipated events.

The policy establishes a year-end targeted unassigned fund balance for working capital needs at fifty percent of the ensuing years General Fund tax levy, and levy-based state aids. The working capital allocation shall be reduced by the balance of any prepaid items at year-end. The unassigned unanticipated event fund balance is established at ten percent of the ensuing years budgeted General Fund expenditures. At December 31, 2011, the unassigned working capital fund balance was fifty percent of the ensuing years General Fund tax levy, and levy based aids. The unassigned unanticipated event fund balance was ten percent of the ensuing years budgeted General Fund Expenditures.

C. DEFICIT FUND BALANCES

The City had deficit fund balances at December 31, 2011 as follows:

	<u>Amount</u>
Nonmajor Funds	
Capital Project	
Owasso Street Realignment	\$ 46,333

The Owasso Street Realignment deficit will be eliminated through future grants, intergovernmental revenue and tax increment revenue.

Note 14 HOME ENERGY IMPROVEMENT LOAN RECEIVABLE

In 2010, the Economic Development Authority (EDA) started a home energy improvement loan program. As of December 31, 2011 the EDA issued ten loans with interest rates of 5.25%. The terms range from 96 to 120 months and call for monthly payments.

Future minimum loan receipts at December 31, 2011 are as follows:

<u>Year</u>	<u>Home Energy Improvement Loan Program</u>
2012	\$ 15,859
2013	15,859
2014	15,859
2015	15,859
2016	15,859
2017	15,859
2018	15,763
2019	14,699
2020	14,303
2021	<u>5,027</u>
Total	144,946
Less amount representing interest	<u>(47,295)</u>
Total loan receivable	<u><u>\$ 97,651</u></u>

Note 15 CONDUIT DEBT OBLIGATION

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Not the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2011, there were six series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$18,644,275.

Note 16 CONTINGENT NOTE PAYABLE

The City has issued several tax increment pay-as-you-go revenue notes. These notes are not a general obligation of the City and are payable solely from available tax increments. Accordingly, these notes are not reflected in the financial statements of the City. Details of the pay-as-you-go revenue notes are as follows:

TIF District #1

Within TIF District #1, there is a pay-as-you-go agreement, which is to be paid once the City's General Obligation Tax Increment Refunding Bonds of 2002 are paid in full. As of December 31, 2011, future tax increment flow will be used to pay Tax Increment Agreement #2 (Series 1988/1995) up to a maximum amount of \$374,726.

TIF District #4

Within TIF District #4, there is a pay-as-you-go agreement. As of December 31, 2011, future tax increment flow will be used to pay Tax Increment Agreement (Series 1996) up to a maximum amount of \$1,151,256.

TIF District #5

Within TIF District #5, there is a pay-as-you-go agreement. As of December 31, 2011, future tax increment flow will be used to pay Tax Increment Agreement (Series 2001) up to a maximum amount of \$796,675.

TIF District #6

Within TIF District #6, there are two pay-as-you-go agreements. As of December 31, 2011, future tax increment flow will be used to pay Tax Increment Agreement #1 (Series 2001) up to a maximum amount of \$1,387,819, and to pay Tax Increment Agreement #2 (Series 2001) up to a maximum amount of \$527,000.

Note 17 PLEDGED REVENUE

The City has issued Certificates of Participation and Tax Increment, Capital Improvement, and Utility Improvement bonds for community development expenditures, and the construction of buildings, public works infrastructure, and park and recreation facilities. Specific revenues are pledged for the payments of interest and future retirement of the obligations. As of December 31, 2011 the following pledges were in place:

G.O. Refunding Tax Increment Bonds of 2004

The City pledged \$380,000 of tax increment collections to meet the debt service commitment on the bonds. The debt was originally issued in 2004 to refund the 1997A Tax Increment Bonds, which financed community development expenditures and public works infrastructure, it has a final maturity date of February 1, 2013. The pledged revenues represent 100 percent of the revenue stream, and \$764,882 of the pledge commitment remains outstanding.

G.O. Refunding Tax Increment Bonds of 2007

The City pledged \$45,000 of tax increment collections to meet the debt service commitment on the bonds. The debt was originally issued in 2007 to refund the 1999C Tax Increment Bonds, which financed park and recreation building and structures and public works infrastructure, it has a final maturity date of December 1, 2015. The pledged revenues represent 100 percent of the revenue stream, and \$1,213,200 of the pledge commitment remains outstanding.

G.O. Capital Improvement Plan Bonds of 2010

The City pledged \$907,242 of Central Garage charges, property tax collections, earnings on investments, Federal Build America Bond credit and transfers from utility funds to meet the debt service commitment on the bonds. The debt was originally issued in 2010 to finance the Central Garage building renovation, it has a final maturity date of February 1, 2030. The pledged revenues represent 63 percent of the revenue stream, and \$8,603,834 of the pledge commitment remains outstanding.

G.O. Water Revenue Bonds

The City pledged \$910,928 of operating revenue, earnings on investments and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 1999 - 2010 to finance water system infrastructure improvements, it has a final maturity date of years 2012 - 2026. The pledged revenues represent 40 percent of the revenue stream, and \$6,679,418 of the pledge commitment remains outstanding.

G.O. Sewer Revenue Bonds

The City pledged \$664,451 of operating revenue, earnings on investments and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 2004 - 2010 to finance sewer system infrastructure improvements, it has a final maturity date of years 2012 - 2026. The pledged revenues represent 18 percent of the revenue stream, and \$2,717,408 of the pledge commitment remains outstanding.

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2011

G.O. Surface Water Revenue Bonds

The City pledged \$363,322 of operating revenue, earnings on investments and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 2002 - 2010 to finance surface water system infrastructure improvements, it has a final maturity date of years 2014 - 2026. The pledged revenues represent 35 percent of the revenue stream, and \$3,093,875 of the pledge commitment remains outstanding.

Refunding Certificates of Participation of 2011

The City pledged \$465,973 of earnings on investments and transfers from other funds to meet the debt service commitment on the certificates. The certificates were issued in 2011 to refund the Certificates of Participation of 2002 which financed the community center expansion, it has a final maturity date of August 1, 2023. The pledged revenues represent 100 percent of the revenue stream, and \$5,662,921 of the pledge commitment remains outstanding.

Revenue available to meet debt service requirements is shown in the following table:

Bond Issue	Gross Revenue	Direct Operating Expenses	A vailable Net Revenue	Debt Service Requirements		
				Principal	Interest and Paying Agent Fees	Total
G.O. Refunding Tax Increment Bonds of 2004	\$ 380,000	\$ —	\$ 380,000	\$ 350,000	\$ 30,286	\$ 380,286
G.O. Refunding Tax Increment Bonds of 2007	45,000	—	45,000	—	43,975	43,975
G.O. Capital Improvement Plan Bonds of 2010	1,444,287	537,045 *	907,242	—	250,112	250,112
G.O. Water Revenue Bonds	2,279,802	1,368,874 *	910,928	460,000	202,063	662,063
G.O. Sewer Revenue Bonds	3,617,492	2,953,041 *	664,451	90,000	76,061	166,061
G.O. Surface Water Revenue Bonds	1,032,620	669,298 *	363,322	225,000	91,277	316,277
Refunding Certificates of Participation of 2011	465,973	—	465,973	270,000	110,309	380,309
	<u>\$ 9,265,174</u>	<u>\$ 5,528,258</u>	<u>\$ 3,736,916</u>	<u>\$ 1,395,000</u>	<u>\$ 804,083</u>	<u>\$ 2,199,083</u>

* Direct Operating expenses exclude Depreciation expense

**FINANCIAL SECTION –
REQUIRED SUPPLEMENTARY FINANCIAL
INFORMATION OTHER THAN MD&A**

TAB

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SHOREVIEW, MINNESOTA
Required Supplementary Information
Budgetary Comparison Schedule – General Fund
For The Year Ended December 31, 2011

Statement 10
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	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues				
General property taxes				
Current	\$ 6,345,734	\$ 6,345,734	\$ 6,263,339	\$ (82,395)
Other	—	—	2,334	2,334
Total general property taxes	<u>6,345,734</u>	<u>6,345,734</u>	<u>6,265,673</u>	<u>(80,061)</u>
Licenses and permits				
Business	37,050	37,050	42,185	5,135
Non-business	244,100	244,100	399,058	154,958
Total licenses and permits	<u>281,150</u>	<u>281,150</u>	<u>441,243</u>	<u>160,093</u>
Intergovernmental				
State				
Road maintenance	151,000	151,000	157,111	6,111
Market value homestead credit	3,500	3,500	6,436	2,936
PERA aid	20,122	20,122	20,122	—
Local performance aid	—	—	3,506	3,506
Local				
Aggregate gravel tax	500	500	1,346	846
Other	480	480	—	(480)
Total intergovernmental	<u>175,602</u>	<u>175,602</u>	<u>188,521</u>	<u>12,919</u>
Charges for services				
General government	400	400	954	554
Public works	332,000	332,000	318,821	(13,179)
Parks and recreation	5,000	5,000	6,632	1,632
Community development	45,000	45,000	82,106	37,106
Administrative charges				
Special revenue funds	85,010	85,010	85,010	—
Capital project funds	60,000	60,000	100,004	40,004
Enterprise funds	604,830	604,830	604,830	—
Total charges for services	<u>1,132,240</u>	<u>1,132,240</u>	<u>1,198,357</u>	<u>66,117</u>
Fines and forfeits	42,500	42,500	62,135	19,635
Earnings on investments	50,000	50,000	79,714	29,714
Other	26,442	26,442	40,264	13,822
Total revenues	<u>8,053,668</u>	<u>8,053,668</u>	<u>8,275,907</u>	<u>222,239</u>
Expenditures				
General government				
Current				
Council and Commissions	46,374	144,144	130,687	13,457
Commissions and committees	9,995	—	—	—
Administration	702,480	484,347	475,215	9,132
Human resources	—	237,953	220,382	17,571
Community programs	10,500	—	—	—
Elections	3,100	3,100	2,983	117
Communications	18,000	146,405	141,404	5,001
Finance and accounting	490,458	537,718	529,100	8,618
Information systems	279,182	279,182	215,082	64,100
Legal	107,000	107,000	79,933	27,067
General government buildings	123,777	—	—	—
Capital outlay				
Information systems	—	—	45,026	(45,026)
Total general government	<u>1,790,866</u>	<u>1,939,849</u>	<u>1,839,812</u>	<u>100,037</u>

CITY OF SHOREVIEW, MINNESOTA
Required Supplementary Information
Budgetary Comparison Schedule – General Fund
For The Year Ended December 31, 2011

Statement 10
Page 2 of 2

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Expenditures (continued)				
Public safety				
Current				
Police	1,751,522	1,776,522	1,753,514	23,008
Fire	790,290	790,290	789,897	393
Emergency services	7,135	7,135	12,657	(5,522)
Animal control	25,000	—	—	—
Total public safety	2,573,947	2,573,947	2,556,068	17,879
Public works				
Current				
Public works administration and engineering	89,816	418,097	420,754	(2,657)
Engineering	328,281	—	—	—
Streets	350,941	757,376	749,473	7,903
Ice and snow removal	302,141	—	—	—
Traffic control	104,294	—	—	—
Trail management	113,852	113,852	81,567	32,285
Forestry	86,712	86,712	46,425	40,287
Total public works	1,376,037	1,376,037	1,298,219	77,818
Parks and recreation				
Current				
Parks and recreation administration	459,495	459,495	487,669	(28,174)
Municipal buildings	—	123,777	122,541	1,236
Park and sports area maintenance	1,098,200	1,098,200	1,097,443	757
Capital outlay				
Municipal buildings	—	—	8,895	(8,895)
Total parks and recreation	1,557,695	1,681,472	1,716,548	(35,076)
Community development				
Current				
Planning and zoning administration	341,265	377,994	372,874	5,120
Code enforcement	36,729	—	—	—
Building inspection	148,810	148,810	157,414	(8,604)
Economic development	30,010	—	—	—
Total community development	556,814	526,804	530,288	(3,484)
Miscellaneous				
Current				
Youth services	43,370	—	—	—
Unallocated insurance	47,260	—	—	—
Dues and subscriptions	36,679	—	—	—
Total miscellaneous	127,309	—	—	—
Total expenditures	7,982,668	8,098,109	7,940,935	157,174
Revenues over (under) expenditures	71,000	(44,441)	334,972	379,413
Other financing sources (uses)				
Transfer from proprietary funds	341,000	341,000	341,000	—
Transfer from special revenue funds	—	135,451	130,450	(5,001)
Transfer to special revenue funds	(312,000)	(332,010)	(339,417)	(7,407)
Transfer to debt service funds	—	—	(311,728)	(311,728)
Transfer to capital project funds	(100,000)	(100,000)	(100,000)	—
Total other financing sources (uses)	(71,000)	44,441	(279,695)	(324,136)
Net change in fund balance	\$ —	\$ —	55,277	\$ 55,277
Fund balance – January 1			3,921,135	
Fund balance – December 31			\$ 3,976,412	

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Statement 11

Budgetary Comparison Schedule – Community Center Operations Fund

For The Year Ended December 31, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues				
Charges for services	\$ 2,209,820	\$ 2,209,820	\$ 2,311,069	\$ 101,249
Earnings on investments	12,900	12,900	20,674	7,774
Other	—	—	758	758
Total revenues	<u>2,222,720</u>	<u>2,222,720</u>	<u>2,332,501</u>	<u>109,781</u>
Expenditures				
Parks and recreation				
Current				
Personal services	1,378,296	1,378,296	1,352,471	25,825
Materials and supplies	439,400	439,400	448,853	(9,453)
Contractual services	556,113	556,113	600,542	(44,429)
Total expenditures	<u>2,373,809</u>	<u>2,373,809</u>	<u>2,401,866</u>	<u>(28,057)</u>
Revenues over (under) expenditures	<u>(151,089)</u>	<u>(151,089)</u>	<u>(69,365)</u>	<u>81,724</u>
Other financing sources (uses)				
Transfer from General Fund	227,000	227,000	227,000	—
Transfer from special revenue funds	70,000	70,000	70,000	—
Transfer to capital project funds	(100,000)	(100,000)	—	100,000
Total other financing sources (uses)	<u>197,000</u>	<u>197,000</u>	<u>297,000</u>	<u>100,000</u>
Net change in fund balance	<u>\$ 45,911</u>	<u>\$ 45,911</u>	<u>227,635</u>	<u>\$ 181,724</u>
Fund balance – January 1			600,652	
Fund balance – December 31			<u>\$ 828,287</u>	

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Statement 12

Budgetary Comparison Schedule – Recreation Programs Fund

For The Year Ended December 31, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues				
Charges for services	\$ 1,228,001	\$ 1,228,001	\$ 1,303,082	\$ 75,081
Earnings on investments	5,000	5,000	12,323	7,323
Other	—	—	60	60
Total revenues	<u>1,233,001</u>	<u>1,233,001</u>	<u>1,315,465</u>	<u>82,464</u>
Expenditures				
Current				
Parks and recreation				
Personal services	879,238	879,238	859,389	19,849
Materials and supplies	86,664	86,664	80,746	5,918
Contractual services	239,901	229,901	233,023	(3,122)
Total expenditures	<u>1,205,803</u>	<u>1,195,803</u>	<u>1,173,158</u>	<u>22,645</u>
Revenues over (under) expenditures	<u>27,198</u>	<u>37,198</u>	<u>142,307</u>	<u>105,109</u>
Other financing sources (uses)				
Transfer from General Fund	75,000	65,000	65,000	—
Transfer to special revenue funds	(70,000)	(70,000)	(70,000)	—
Total other financing sources (uses)	<u>5,000</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>—</u>
Net change in fund balance	<u>\$ 32,198</u>	<u>\$ 32,198</u>	<u>137,307</u>	<u>\$ 105,109</u>
Fund balance – January 1			407,898	
Fund balance – December 31			<u>\$ 545,205</u>	

CITY OF SHOREVIEW, MINNESOTA
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
December 31, 2011

Note A LEGAL COMPLIANCE – BUDGETS

The General Fund, Community Center Operation Fund, and Recreation Programs Fund budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level (general government, public safety, public works, parks and recreation, community development, and miscellaneous) for all funds. For the year ended December 31, 2011, the following is a list of funds whose departments exceeded budgeted appropriations:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Major funds				
General Fund				
Parks and recreation	\$ 1,557,695	\$ 1,681,472	\$ 1,716,548	\$ 35,076
Community development	556,814	526,804	530,288	3,484
Community Center Operations Fund				
Parks and recreation	2,373,809	2,373,809	2,401,866	28,057

The General Fund and Community Center Operations Fund's over expenditures were funded by greater than anticipated revenues.

**FINANCIAL SECTION –
COMBINING AND INDIVIDUAL NONMAJOR FUND
STATEMENTS AND SCHEDULES**

TAB

**COMBINING AND INDIVIDUAL NONMAJOR FUND STATEMENTS AND
SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects.

DEBT SERVICE FUNDS

Debt service funds are used to account for and report the accumulation of restricted, committed, or assigned resources for the payment of, interest, principal, and related costs on long-term debt.

CAPITAL PROJECT FUNDS

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

CITY OF SHOREVIEW, MINNESOTA

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2011

Statement 13

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 548,942	\$ 2,231,681	\$ 4,558,795	\$ 7,339,418
Accrued interest receivable	1,390	7,237	18,553	27,180
Accounts receivable	72,740	—	99	72,839
Loan receivable	—	—	97,651	97,651
Taxes receivable	1,404	10,392	52,706	64,502
Special assessments receivable	—	657,798	2,539	660,337
Interfund receivable	—	—	71,333	71,333
Due from other governmental units	9,414	—	—	9,414
Prepaid items	442	—	—	442
Total assets	\$ 634,332	\$ 2,907,108	\$ 4,801,676	\$ 8,343,116
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 27,863	\$ 375	\$ 50,852	\$ 79,090
Salaries payable	1,561	—	—	1,561
Contracts payable	—	—	22,905	22,905
Interfund payable	—	—	71,333	71,333
Due to other governmental units	—	4	73,789	73,793
Deferred revenue	502	649,382	12,404	662,288
Total liabilities	29,926	649,761	231,283	910,970
Fund balances				
Nonspendable	442	—	—	442
Restricted	282,008	1,520,502	4,152,847	5,955,357
Committed	321,956	—	—	321,956
Assigned	—	736,845	463,879	1,200,724
Unassigned	—	—	(46,333)	(46,333)
Total fund balances	604,406	2,257,347	4,570,393	7,432,146
Total liabilities and fund balances	\$ 634,332	\$ 2,907,108	\$ 4,801,676	\$ 8,343,116

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended December 31, 2011

Statement 14

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
Revenues				
Taxes				
General property taxes	\$ 82,198	\$ 520,312	\$ –	\$ 602,510
Tax increments	–	–	2,035,627	2,035,627
Special assessments	–	182,938	933	183,871
Intergovernmental	70,845	831	911,609	983,285
Charges for services	744,892	–	1,350	746,242
Earnings on investments	9,284	43,029	116,796	169,109
Loan payments	–	–	21,750	21,750
Other	39,064	–	–	39,064
Total revenues	<u>946,283</u>	<u>747,110</u>	<u>3,088,065</u>	<u>4,781,458</u>
Expenditures				
Current				
General government	197,596	–	70,088	267,684
Public works	449,107	–	162,446	611,553
Community development	91,246	–	771,085	862,331
Capital outlay				
General government	–	–	223,364	223,364
Public works	–	–	1,547,110	1,547,110
Debt service				
Principal	–	1,125,000	–	1,125,000
Interest and paying agent fees	–	367,213	–	367,213
Payment to refunded bond escrow agent	–	85,989	–	85,989
Total expenditures	<u>737,949</u>	<u>1,578,202</u>	<u>2,774,093</u>	<u>5,090,244</u>
Revenues over (under) expenditures	<u>208,334</u>	<u>(831,092)</u>	<u>313,972</u>	<u>(308,786)</u>
Other financing sources (uses)				
Issuance of refunding debt	–	4,620,000	–	4,620,000
Discount on debt issuance	–	(44,759)	–	(44,759)
Payment to refunded bond escrow agent	–	(4,575,241)	–	(4,575,241)
Sale of capital assets	–	–	500	500
Transfer from General Fund	47,417	411,728	–	459,145
Transfer from special revenue funds	–	–	23,607	23,607
Transfer from capital project funds	–	788,638	1,821,122	2,609,760
Transfer to General Fund	(130,450)	–	–	(130,450)
Transfer to debt service funds	–	–	(443,638)	(443,638)
Transfer to capital project funds	(23,607)	–	(1,354,626)	(1,378,233)
Total other financing sources (uses)	<u>(106,640)</u>	<u>1,200,366</u>	<u>46,965</u>	<u>1,140,691</u>
Net change in fund balances	<u>101,694</u>	<u>369,274</u>	<u>360,937</u>	<u>831,905</u>
Fund balances – January 1	502,712	1,888,073	4,209,456	6,600,241
Fund balances – December 31	<u>\$ 604,406</u>	<u>\$ 2,257,347</u>	<u>\$ 4,570,393</u>	<u>\$ 7,432,146</u>

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NONMAJOR SPECIAL REVENUE FUNDS

The City had the following special revenue funds during the year:

Recycling Fund – This fund was established to account for the City’s recycling program. Revenues are received through a joint powers agreement with Ramsey County and a user charge is assessed on property tax statements to all residential property. The City maintains a contract with a private hauler for the curbside collection of all recyclable materials.

Cable TV Fund – This fund was established to account for transactions associated with cable television in the City. Franchise fee revenue is restricted for cable television programs. Expenditures include the operation of the North Suburban Cable Commission and other costs relating to cable television activity.

Slice of Shoreview Event Fund – This fund was established to account for all costs, donations, sponsorships, and entrance fees associated with the Slice of Shoreview event.

Economic Development Authority – This fund was established to account for economic development programs and activities within the City of Shoreview. Minnesota statutes restrict the use of revenues for economic development purposes.

Housing and Redevelopment Authority – This fund was established to account for housing and redevelopment programs and activities within the City of Shoreview. Minnesota statutes restrict the use of revenues for housing and redevelopment purposes.

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2011

Statement 15

	Recycling	Cable TV	Slice of Shoreview Event	Economic Development Authority	Housing & Redevelopment Authority	Total Nonmajor Special Revenue Funds
Assets						
Cash and investments	\$ 133,358	\$ 142,815	\$ 52,370	\$ 184,892	\$ 35,507	\$ 548,942
Accrued interest receivable	—	530	198	662	—	1,390
Accounts receivable	—	72,740	—	—	—	72,740
Taxes receivable	—	—	—	428	976	1,404
Due from other governmental units	9,314	100	—	—	—	9,414
Prepaid items	53	91	—	273	25	442
Total assets	<u>\$ 142,725</u>	<u>\$ 216,276</u>	<u>\$ 52,568</u>	<u>\$ 186,255</u>	<u>\$ 36,508</u>	<u>\$ 634,332</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 27,475	\$ 146	\$ 10	\$ 232	\$ —	\$ 27,863
Salaries payable	290	466	—	346	459	1,561
Deferred revenue	—	—	—	153	349	502
Total liabilities	<u>27,765</u>	<u>612</u>	<u>10</u>	<u>731</u>	<u>808</u>	<u>29,926</u>
Fund balances						
Nonspendable	53	91	—	273	25	442
Restricted	—	61,082	—	185,251	35,675	282,008
Committed	<u>114,907</u>	<u>154,491</u>	<u>52,558</u>	<u>—</u>	<u>—</u>	<u>321,956</u>
Total fund balances	<u>114,960</u>	<u>215,664</u>	<u>52,558</u>	<u>185,524</u>	<u>35,700</u>	<u>604,406</u>
Total liabilities and fund balances	<u>\$ 142,725</u>	<u>\$ 216,276</u>	<u>\$ 52,568</u>	<u>\$ 186,255</u>	<u>\$ 36,508</u>	<u>\$ 634,332</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For The Year Ended December 31, 2011

Statement 16

	Recycling	Cable TV	Slice of Shoreview Event	Economic Development Authority	Housing and Redevelopment Authority	Total Nonmajor Special Revenue Funds
Revenues						
Taxes						
General property taxes	\$ —	\$ —	\$ —	\$ 24,818	\$ 57,380	\$ 82,198
Intergovernmental	70,845	—	—	—	—	70,845
Charges for services	432,868	287,206	24,818	—	—	744,892
Earnings on investments	683	3,174	1,189	3,969	269	9,284
Other	—	1,200	37,864	—	—	39,064
Total revenues	504,396	291,580	63,871	28,787	57,649	946,283
Expenditures						
Current						
General government	—	140,936	56,660	—	—	197,596
Public works	449,107	—	—	—	—	449,107
Community development	—	—	—	44,469	46,777	91,246
Total expenditures	449,107	140,936	56,660	44,469	46,777	737,949
Revenues over (under) expenditures	55,289	150,644	7,211	(15,682)	10,872	208,334
Other financing sources (uses)						
Transfer from General Fund	—	—	10,000	26,556	10,861	47,417
Transfer to General Fund	—	(130,450)	—	—	—	(130,450)
Transfer to capital project funds	—	(23,607)	—	—	—	(23,607)
Total other financing sources (uses)	—	(154,057)	10,000	26,556	10,861	(106,640)
Net change in fund balances	55,289	(3,413)	17,211	10,874	21,733	101,694
Fund balances – January 1	59,671	219,077	35,347	174,650	13,967	502,712
Fund balances – December 31	<u>\$ 114,960</u>	<u>\$ 215,664</u>	<u>\$ 52,558</u>	<u>\$ 185,524</u>	<u>\$ 35,700</u>	<u>\$ 604,406</u>

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NONMAJOR DEBT SERVICE FUNDS

The City had the following debt service funds during the year:

Refunding Certificates of Participation of 2011 – This fund was established to provide financing for the 2011 refunding lease.

G.O. Capital Improvement Plan Bonds of 2004 – This fund was established to provide financing for the 2004 Capital Improvement Plan Bonds. Revenue sources are from property tax collections.

G.O. Street Reconstruction Bonds of 2006 – This fund was established to provide financing for the 2006 Street Reconstruction Bonds. Revenue sources are from property tax collections.

G.O. Tax Increment Refunding Bonds of 2007 – This fund was established to provide financing for the 2007 Tax Increment Refunding Financing Bonds. Financing of this debt service will be from tax increments.

G.O. Tax Increment Refunding Bonds of 2004 – This fund was established to provide financing for the 2004 Tax Increment Refunding Financing Bonds. Financing of this debt service will be from tax increments.

G.O. Improvement Bonds of 1995 – This fund was established to provide financing for the 1995 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2001 – This fund was established to provide financing for the 2001 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2002 – This fund was established to provide financing for the 2002 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2004 – This fund was established to provide financing for the 2004 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2006 – This fund was established to provide financing for the 2006 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2008 – This fund was established to provide financing for the 2008 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2009 – This fund was established to provide financing for the 2009 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2010 – This fund was established to provide financing for the 2010 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

Closed Bonds – This fund is used to account for previous special assessment bond issues refunded with existing funds. Outstanding special assessment balances are used for related debt service expenditures (fiscal and paying agent fees) and temporary and permanent financing of various capital improvements.

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet

Nonmajor Debt Service Funds

December 31, 2011

Statement 17

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	Refunding Certificates of Participation of 2011	G.O. Capital Improvement Plan Bonds of 2004	G.O. Street Reconstruction Bonds of 2006	G.O. Tax Increment Refunding Bonds of 2007
Assets				
Cash and investments	\$ 536,622	\$ 133,310	\$ 212,740	\$ 5,261
Accrued interest receivable	3,880	196	327	—
Taxes receivable				
Delinquent	—	1,274	2,024	—
Due from county	—	1,571	2,515	—
Special assessments receivable				
Delinquent	—	—	—	—
Deferred	—	—	—	—
Special deferred	—	—	—	—
Due from county	—	—	—	—
Total assets	<u>\$ 540,502</u>	<u>\$ 136,351</u>	<u>\$ 217,606</u>	<u>\$ 5,261</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ —	\$ —	\$ —	\$ 375
Due to other governmental units	—	—	—	—
Deferred revenue	—	1,274	2,024	—
Total liabilities	<u>—</u>	<u>1,274</u>	<u>2,024</u>	<u>375</u>
Fund balances				
Restricted	540,502	135,077	215,582	4,886
Assigned	—	—	—	—
Total fund balances	<u>540,502</u>	<u>135,077</u>	<u>215,582</u>	<u>4,886</u>
Total liabilities and fund balances	<u>\$ 540,502</u>	<u>\$ 136,351</u>	<u>\$ 217,606</u>	<u>\$ 5,261</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2011

Statement 17
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	G.O. Tax Increment Refunding Bonds of 2004	G.O. Improvement Bonds of 1995	G.O. Improvement Bonds of 2001	G.O. Improvement Bonds of 2002	G.O. Improvement Bonds of 2004	G.O. Improvement Bonds of 2006	G.O. Improvement Bonds of 2008	G.O. Improvement Bonds of 2009	G.O. Improvement Bonds of 2010	Closed Bonds	Total Nonmajor Debt Service Funds
Assets											
Cash and investments	\$ 1,205	\$ 69,845	\$ 64,986	\$ 47,353	\$ 160,631	\$ 16,856	\$ 107,967	\$ 90,545	\$ 49,087	\$ 735,273	\$ 2,231,681
Accrued interest receivable	-	-	-	-	586	-	368	304	-	1,576	7,237
Taxes receivable											
Delinquent	-	507	569	251	-	61	-	-	-	-	4,686
Due from county	-	537	704	269	-	110	-	-	-	-	5,706
Special assessments receivable											
Delinquent	-	627	7	-	-	-	-	497	-	619	1,750
Deferred	-	-	62,421	31,316	78,040	34,325	192,615	146,163	89,725	-	634,605
Special deferred	-	-	-	-	-	1,276	7,065	-	-	-	8,341
Due from county	-	315	3,938	293	804	5,193	1,569	990	-	-	13,102
Total assets	<u>\$ 1,205</u>	<u>\$ 71,831</u>	<u>\$ 132,625</u>	<u>\$ 79,482</u>	<u>\$ 240,061</u>	<u>\$ 57,821</u>	<u>\$ 309,584</u>	<u>\$ 238,499</u>	<u>\$ 138,812</u>	<u>\$ 737,468</u>	<u>\$ 2,907,108</u>
Liabilities and Fund Balances											
Liabilities											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375
Due to other governmental units	-	-	-	-	-	-	-	-	-	4	4
Deferred revenue	-	1,134	62,997	31,567	78,040	35,662	199,680	146,660	89,725	619	649,382
Total liabilities	<u>-</u>	<u>1,134</u>	<u>62,997</u>	<u>31,567</u>	<u>78,040</u>	<u>35,662</u>	<u>199,680</u>	<u>146,660</u>	<u>89,725</u>	<u>623</u>	<u>649,761</u>
Fund balances											
Restricted	1,205	70,697	69,628	47,915	162,021	22,159	109,904	91,839	49,087	-	1,520,502
Assigned	-	-	-	-	-	-	-	-	-	736,845	736,845
Total fund balances	<u>1,205</u>	<u>70,697</u>	<u>69,628</u>	<u>47,915</u>	<u>162,021</u>	<u>22,159</u>	<u>109,904</u>	<u>91,839</u>	<u>49,087</u>	<u>736,845</u>	<u>2,257,347</u>
Total liabilities and fund balances	<u>\$ 1,205</u>	<u>\$ 71,831</u>	<u>\$ 132,625</u>	<u>\$ 79,482</u>	<u>\$ 240,061</u>	<u>\$ 57,821</u>	<u>\$ 309,584</u>	<u>\$ 238,499</u>	<u>\$ 138,812</u>	<u>\$ 737,468</u>	<u>\$ 2,907,108</u>

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CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Debt Service Funds
For The Year Ended December 31, 2011

Statement 18
Page 1 of 2

	Refunding Certificates of Participation of 2011	G.O. Capital Improvement Plan Bonds of 2004	G.O. Street Reconstruction Bonds of 2006	G.O. Tax Increment Refunding Bonds of 2007
Revenues				
General property taxes	\$ —	\$ 143,189	\$ 229,131	\$ —
Special assessments	—	—	—	—
Intergovernmental	—	—	—	—
Earnings on investments	20,973	1,176	1,959	178
Total revenues	<u>20,973</u>	<u>144,365</u>	<u>231,090</u>	<u>178</u>
Expenditures				
Debt service				
Principal	270,000	100,000	145,000	—
Interest and paying agent fees	110,309	42,674	85,211	43,975
Payment to refunded bond escrow agent	85,989	—	—	—
Total expenditures	<u>466,298</u>	<u>142,674</u>	<u>230,211</u>	<u>43,975</u>
Revenues over (under) expenditures	<u>(445,325)</u>	<u>1,691</u>	<u>879</u>	<u>(43,797)</u>
Other financing sources (uses)				
Issuance of refunding debt	4,620,000	—	—	—
Discount on debt issuance	(44,759)	—	—	—
Payment to refunded bond escrow agent	(4,575,241)	—	—	—
Transfer from General Fund	100,000	—	—	—
Transfer from capital project funds	345,000	—	—	45,000
Total other financing sources (uses)	<u>445,000</u>	<u>—</u>	<u>—</u>	<u>45,000</u>
Net change in fund balances	<u>(325)</u>	<u>1,691</u>	<u>879</u>	<u>1,203</u>
Fund balances – January 1	540,827	133,386	214,703	3,683
Fund balances – December 31	<u>\$ 540,502</u>	<u>\$ 135,077</u>	<u>\$ 215,582</u>	<u>\$ 4,886</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Debt Service Funds
For The Year Ended December 31, 2011

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	G.O. Tax Increment Refunding Bonds of 2004	G.O. Improvement Bonds of 1995	G.O. Improvement Bonds of 2001	G.O. Improvement Bonds of 2002	G.O. Improvement Bonds of 2004	G.O. Improvement Bonds of 2006	G.O. Improvement Bonds of 2008	G.O. Improvement Bonds of 2009	G.O. Improvement Bonds of 2010	Closed Bonds	Total Nonmajor Debt Service Funds
Revenues											
General property taxes	\$ -	\$ 49,244	\$ 64,193	\$ 24,628	\$ -	\$ 9,927	\$ -	\$ -	\$ -	\$ -	\$ 520,312
Special assessments	-	19,406	34,660	16,934	16,587	13,124	23,957	18,466	38,631	1,173	182,938
Intergovernmental	-	-	-	-	-	-	-	-	831	-	831
Earnings on investments	-	619	103	499	3,512	155	2,201	1,820	394	9,440	43,029
Total revenues	-	69,269	98,956	42,061	20,099	23,206	26,158	20,286	39,856	10,613	747,110
Expenditures											
Debt service											
Principal	350,000	65,000	80,000	45,000	40,000	15,000	15,000	-	-	-	1,125,000
Interest and paying agent fees	30,286	5,777	5,028	5,968	8,645	5,754	13,240	7,933	2,413	-	367,213
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-	85,989
Total expenditures	380,286	70,777	85,028	50,968	48,645	20,754	28,240	7,933	2,413	-	1,578,202
Revenues over (under) expenditures	(380,286)	(1,508)	13,928	(8,907)	(28,546)	2,452	(2,082)	12,353	37,443	10,613	(831,092)
Other financing sources (uses)											
Issuance of refunding debt	-	-	-	-	-	-	-	-	-	-	4,620,000
Discount on debt issuance	-	-	-	-	-	-	-	-	-	-	(44,759)
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-	(4,575,241)
Transfer from General Fund	-	-	-	-	-	-	-	-	-	311,728	411,728
Transfer from capital project funds	380,000	-	-	-	-	-	-	-	11,644	6,994	788,638
Total other financing sources (uses)	380,000	-	-	-	-	-	-	-	11,644	318,722	1,200,366
Net change in fund balances	(286)	(1,508)	13,928	(8,907)	(28,546)	2,452	(2,082)	12,353	49,087	329,335	369,274
Fund balances – January 1	1,491	72,205	55,700	56,822	190,567	19,707	111,986	79,486	-	407,510	1,888,073
Fund balances – December 31	\$ 1,205	\$ 70,697	\$ 69,628	\$ 47,915	\$ 162,021	\$ 22,159	\$ 109,904	\$ 91,839	\$ 49,087	\$ 736,845	\$ 2,257,347

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NONMAJOR CAPITAL PROJECT FUNDS

The City had the following capital project funds during the year:

Tax Increment Financing District #1 Non-Deluxe – This fund accounts for the receipt and use of tax increment collections in development district number two, from non-Deluxe parcels.

Tax Increment Financing District #1 Deluxe – This fund accounts for the receipt and use of tax increment collections in development district number two, from Deluxe parcels.

Tax Increment Financing District #2 City Center – This fund accounts for the receipt and use of tax increment collections in development district number two.

Tax Increment Financing District #3 TSI – This fund is used to account for the receipt and uses of tax increment collections in development district number two.

Tax Increment Financing District #4 Scandia Shores – This fund is used to account for the receipt and use of tax increment collections in tax increment district number four within development district number two.

Tax Increment Financing District #5 Shoreview Mall and Summer House Senior Housing – This fund is used to account for the receipt and use of tax increment collections in tax increment district number five within development district number two.

Tax Increment Financing District #6 Gateway – This fund is used to account for the receipt and use of tax increment collections in tax increment district number six within development district number two.

Closed Construction Fund – This fund is used to account for residual amounts remaining after construction projects are closed. The balance is used to assist in financing future projects.

Municipal State Aid – This fund is used to account for the City's allocation of the state collected highway use tax. The allocation is based on population and need for construction of designated state aid streets.

The following city improvement project funds are temporary capital project funds which are setup to account for construction costs and capital purchases indicated by the title of each fund.

- Capital Acquisition
- Hawes, Demar Road Reconstruction
- Hamline Avenue Reconstruction
- 2010 Pavement Rehabilitation
- Buffalo Lane Reconstruction
- 2011 MSA Street Rehabilitation
- Owasso Street Realignment

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CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2011

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	Tax Increment Financing								
	District #1 Non-Deluxe	District #1 Deluxe	District #2 City Center	District #3 TSI	District #4 Scandia Shores	District #5 Shoreview Mall and Summer House Senior Housing	District #6 Gateway	Municipal State Aid	Capital Acquisition
Assets									
Cash and investments	\$ 2,085,356	\$ 22,359	\$ 295,432	\$ 752	\$ 484	\$ 1,624,473	\$ 15,359	\$ 417,463	\$ 40,948
Accrued interest receivable	6,562	404	625	-	-	5,593	-	5,369	-
Accounts receivable	-	-	-	-	-	-	-	-	99
Loan receivable	97,651	-	-	-	-	-	-	-	-
Taxes receivable									
Delinquent	9,865	-	-	-	-	-	-	-	-
Due from county	-	-	16	-	42,825	-	-	-	-
Special assessments receivable									
Deferred	-	-	-	-	-	-	-	2,539	-
Interfund receivable	46,333	-	25,000	-	-	-	-	-	-
Total assets	<u>\$ 2,245,767</u>	<u>\$ 22,763</u>	<u>\$ 321,073</u>	<u>\$ 752</u>	<u>\$ 43,309</u>	<u>\$ 1,630,066</u>	<u>\$ 15,359</u>	<u>\$ 425,371</u>	<u>\$ 41,047</u>
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ 60	\$ -	\$ -	\$ -	\$ 17,528	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	25,000	-	-	-	-
Due to other governmental units	73,037	-	-	752	-	-	-	-	-
Deferred revenue	9,865	-	-	-	-	-	-	2,539	-
Total liabilities	<u>82,962</u>	<u>-</u>	<u>-</u>	<u>752</u>	<u>42,528</u>	<u>-</u>	<u>-</u>	<u>2,539</u>	<u>-</u>
Fund balances									
Restricted	2,162,805	22,763	321,073	-	781	1,630,066	15,359	-	-
Assigned	-	-	-	-	-	-	-	422,832	41,047
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>2,162,805</u>	<u>22,763</u>	<u>321,073</u>	<u>-</u>	<u>781</u>	<u>1,630,066</u>	<u>15,359</u>	<u>422,832</u>	<u>41,047</u>
Total liabilities and fund balances	<u>\$ 2,245,767</u>	<u>\$ 22,763</u>	<u>\$ 321,073</u>	<u>\$ 752</u>	<u>\$ 43,309</u>	<u>\$ 1,630,066</u>	<u>\$ 15,359</u>	<u>\$ 425,371</u>	<u>\$ 41,047</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2011

Statement 19

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	Buffalo Lane Reconstruction	2011 MSA Street Rehabilitation	Owasso Street Realignment	Total Nonmajor Capital Project Funds
Assets				
Cash and investments	\$ 11,849	\$ 11,056	\$ 33,264	\$ 4,558,795
Accrued interest receivable	—	—	—	18,553
Accounts receivable	—	—	—	99
Loan receivable	—	—	—	97,651
Taxes receivable				
Delinquent	—	—	—	9,865
Due from county	—	—	—	42,841
Special assessments receivable				
Deferred	—	—	—	2,539
Interfund receivable	—	—	—	71,333
Total assets	<u>\$ 11,849</u>	<u>\$ 11,056</u>	<u>\$ 33,264</u>	<u>\$ 4,801,676</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ —	\$ —	\$ 33,264	\$ 50,852
Contracts payable	11,849	11,056	—	22,905
Interfund payable	—	—	46,333	71,333
Due to other governmental units	—	—	—	73,789
Deferred revenue	—	—	—	12,404
Total liabilities	<u>11,849</u>	<u>11,056</u>	<u>79,597</u>	<u>231,283</u>
Fund balances				
Restricted	—	—	—	4,152,847
Assigned	—	—	—	463,879
Unassigned	—	—	(46,333)	(46,333)
Total fund balances (deficits)	<u>—</u>	<u>—</u>	<u>(46,333)</u>	<u>4,570,393</u>
Total liabilities and fund balances	<u>\$ 11,849</u>	<u>\$ 11,056</u>	<u>\$ 33,264</u>	<u>\$ 4,801,676</u>

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CITY OF SHOREVIEW, MINNESOTA
Subcombining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Capital Project Funds
For The Year Ended December 31, 2011

Statement 20
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	Tax Increment Financing					Tax Increment Financing						
						District #5 Shoreview Mall and Summer House Senior Housing					Hawes, Demar Road Reconstruction	Hamline Avenue Reconstruction
	District #1 Non-Deluxe	District #1 Deluxe	District #2 City Center	District #3 TSI	District #4 Scandia Shores	District #6 Gateway	Closed Construction	Municipal State Aid	Capital Acquisition			
Revenues												
Taxes												
Tax increments	\$ 571,382	\$ 439,488	\$ 460,248	\$ 167,364	\$ 85,960	\$ 207,370	\$ 103,815	\$ –	\$ –	\$ –	\$ –	\$ –
Special assessments	–	–	–	–	–	–	–	–	933	–	–	–
Intergovernmental												
State market value credit	–	–	377	–	–	–	2,554	–	–	–	–	–
State grant	–	–	–	–	–	–	–	–	908,678	–	–	–
Charges for services	–	–	–	–	–	–	–	–	–	–	–	–
Earnings on investments	43,392	2,421	3,741	753	18	33,496	323	496	32,156	–	–	–
Loan payments	–	–	21,750	–	–	–	–	–	–	–	–	–
Total revenues	<u>614,774</u>	<u>441,909</u>	<u>486,116</u>	<u>168,117</u>	<u>85,978</u>	<u>240,866</u>	<u>106,692</u>	<u>496</u>	<u>941,767</u>	<u>–</u>	<u>–</u>	<u>–</u>
Expenditures												
Current												
General government	–	–	–	–	–	–	–	–	–	70,088	–	–
Public works	–	–	–	–	–	–	–	–	81,793	–	–	80,653
Community development	15,475	439,488	2,629	168,597	36,011	2,738	106,147	–	–	–	–	–
Capital outlay												
General government	–	–	–	–	–	–	–	–	–	223,364	–	–
Public works	<u>71,779</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>16,114</u>	<u>–</u>
Total expenditures	<u>87,254</u>	<u>439,488</u>	<u>2,629</u>	<u>168,597</u>	<u>36,011</u>	<u>2,738</u>	<u>106,147</u>	<u>–</u>	<u>81,793</u>	<u>293,452</u>	<u>16,114</u>	<u>80,653</u>
Revenues over (under) expenditures	<u>527,520</u>	<u>2,421</u>	<u>483,487</u>	<u>(480)</u>	<u>49,967</u>	<u>238,128</u>	<u>545</u>	<u>496</u>	<u>859,974</u>	<u>(293,452)</u>	<u>(16,114)</u>	<u>(80,653)</u>
Other financing sources (uses)												
Sale of capital assets	–	–	–	–	–	–	–	–	–	500	–	–
Transfer from special revenue funds	–	–	–	–	–	–	–	–	–	23,607	–	–
Transfer from capital project funds	–	–	50,000	–	–	–	–	–	–	269,845	9,090	80,653
Transfer to debt service funds	–	–	(425,000)	–	–	–	–	(6,994)	–	–	(11,644)	–
Transfer to capital project funds	–	–	–	–	(50,000)	–	–	–	(1,304,626)	–	–	–
Total other financing sources (uses)	<u>–</u>	<u>–</u>	<u>(375,000)</u>	<u>–</u>	<u>(50,000)</u>	<u>–</u>	<u>–</u>	<u>(6,994)</u>	<u>(1,304,626)</u>	<u>293,952</u>	<u>(2,554)</u>	<u>80,653</u>
Net change in fund balances	<u>527,520</u>	<u>2,421</u>	<u>108,487</u>	<u>(480)</u>	<u>(33)</u>	<u>238,128</u>	<u>545</u>	<u>(6,498)</u>	<u>(444,652)</u>	<u>500</u>	<u>(18,668)</u>	<u>–</u>
Fund balances – January 1	<u>1,635,285</u>	<u>20,342</u>	<u>212,586</u>	<u>480</u>	<u>814</u>	<u>1,391,938</u>	<u>14,814</u>	<u>6,498</u>	<u>867,484</u>	<u>40,547</u>	<u>18,668</u>	<u>–</u>
Fund balances – December 31	<u>\$ 2,162,805</u>	<u>\$ 22,763</u>	<u>\$ 321,073</u>	<u>\$ –</u>	<u>\$ 781</u>	<u>\$ 1,630,066</u>	<u>\$ 15,359</u>	<u>\$ –</u>	<u>\$ 422,832</u>	<u>\$ 41,047</u>	<u>\$ –</u>	<u>\$ –</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Capital Project Funds
For The Year Ended December 31, 2011

Statement 20
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	2010 Pavement Rehabilitation	Buffalo Lane Reconstruction	2011 MSA Street Rehabilitation	Owasso Street Realignment	Total Nonmajor Capital Project Funds
Revenues					
Taxes					
Tax increments	\$ -	\$ -	\$ -	\$ -	\$ 2,035,627
Special assessments	-	-	-	-	933
Intergovernmental					
State market value credit	-	-	-	-	2,931
State grant	-	-	-	-	908,678
Charges for services	1,350	-	-	-	1,350
Earnings on investments	-	-	-	-	116,796
Loan payments	-	-	-	-	21,750
Total revenues	<u>1,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,088,065</u>
Expenditures					
Current					
General government	-	-	-	-	70,088
Public works	-	-	-	-	162,446
Community development	-	-	-	-	771,085
Capital outlay					
General government	-	-	-	-	223,364
Public works	35,655	153,256	1,223,973	46,333	1,547,110
Total expenditures	<u>35,655</u>	<u>153,256</u>	<u>1,223,973</u>	<u>46,333</u>	<u>2,774,093</u>
Revenues over (under) expenditures	<u>(34,305)</u>	<u>(153,256)</u>	<u>(1,223,973)</u>	<u>(46,333)</u>	<u>313,972</u>
Other financing sources (uses)					
Sale of capital assets	-	-	-	-	500
Transfer from special revenue funds	-	-	-	-	23,607
Transfer from capital project funds	34,305	153,256	1,223,973	-	1,821,122
Transfer to debt service funds	-	-	-	-	(443,638)
Transfer to capital project funds	-	-	-	-	(1,354,626)
Total other financing sources (uses)	<u>34,305</u>	<u>153,256</u>	<u>1,223,973</u>	<u>-</u>	<u>46,965</u>
Net change in fund balances	-	-	-	(46,333)	360,937
Fund balances – January 1	-	-	-	-	4,209,456
Fund balances – December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,333)</u>	<u>\$ 4,570,393</u>

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CITY OF SHOREVIEW, MINNESOTA

Nonmajor Special Revenue Fund – Recycling
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance – Budget and Actual
 For The Year Ended December 31, 2011

Statement 21

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 70,845	\$ 10,845
Charges for services				
Recycling fees	403,500	403,500	432,868	29,368
Earnings on investments	–	–	683	683
Total revenues	<u>463,500</u>	<u>463,500</u>	<u>504,396</u>	<u>40,896</u>
Expenditures				
Public works				
Current				
Personal services	32,133	32,133	6,983	25,150
Materials and supplies	–	–	1,039	(1,039)
Contractual services	411,040	411,040	441,085	(30,045)
Total expenditures	<u>443,173</u>	<u>443,173</u>	<u>449,107</u>	<u>(5,934)</u>
Net change in fund balances	<u>\$ 20,327</u>	<u>\$ 20,327</u>	55,289	<u>\$ 34,962</u>
Fund balances – January 1			59,671	
Fund balances – December 31			<u>\$ 114,960</u>	

CITY OF SHOREVIEW, MINNESOTA
Nonmajor Special Revenue Fund – Cable TV
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
For The Year Ended December 31, 2011

Statement 22

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues				
Charges for services				
Franchise fees	\$ 270,000	\$ 270,000	\$ 287,206	\$ 17,206
Earnings on investments	3,000	3,000	3,174	174
Other	2,000	2,000	1,200	(800)
Total revenues	<u>275,000</u>	<u>275,000</u>	<u>291,580</u>	<u>16,580</u>
Expenditures				
General government				
Current				
Personal services	115,574	32,123	28,903	3,220
Materials and supplies	500	500	–	500
Contractual services	169,137	117,137	112,033	5,104
Total expenditures	<u>285,211</u>	<u>149,760</u>	<u>140,936</u>	<u>8,824</u>
Revenues over (under) expenditures	<u>(10,211)</u>	<u>125,240</u>	<u>150,644</u>	<u>25,404</u>
Other financing sources (uses)				
Transfer to General Fund	–	(135,451)	(130,450)	5,001
Transfer to capital project funds	<u>(20,000)</u>	<u>(20,000)</u>	<u>(23,607)</u>	<u>(3,607)</u>
Total other financing sources (uses)	<u>(20,000)</u>	<u>(155,451)</u>	<u>(154,057)</u>	<u>1,394</u>
Net change in fund balances	<u>\$ (30,211)</u>	<u>\$ (30,211)</u>	<u>(3,413)</u>	<u>\$ 26,798</u>
Fund balances – January 1			219,077	
Fund balances – December 31			<u>\$ 215,664</u>	

CITY OF SHOREVIEW, MINNESOTA

Nonmajor Special Revenue Fund – Slice of Shoreview Event

Schedule of Revenues, Expenditures, and

Changes in Fund Balance – Budget and Actual

For The Year Ended December 31, 2011

Statement 23

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues				
Charges for services	\$ 20,000	\$ 20,000	\$ 24,818	\$ 4,818
Earnings on investments	–	–	1,189	1,189
Contributions	24,000	24,000	37,864	13,864
Total revenues	<u>44,000</u>	<u>44,000</u>	<u>63,871</u>	<u>19,871</u>
Expenditures				
General government				
Current				
Materials and supplies	3,000	3,000	2,553	447
Contractual services	47,000	47,000	54,107	(7,107)
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>56,660</u>	<u>(6,660)</u>
Revenues over (under) expenditures	<u>(6,000)</u>	<u>(6,000)</u>	<u>7,211</u>	<u>13,211</u>
Other financing sources (uses)				
Transfer from General Fund	10,000	10,000	10,000	–
Net change in fund balances	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>17,211</u>	<u>\$ 13,211</u>
Fund balances – January 1			35,347	
Fund balances – December 31			<u>\$ 52,558</u>	

CITY OF SHOREVIEW, MINNESOTA

Nonmajor Special Revenue Fund – Economic Development Authority

Statement 24

Schedule of Revenues, Expenditures, and

Changes in Fund Balance – Budget and Actual

For The Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues				
General property taxes				
Current	\$ 25,000	\$ 25,000	\$ 24,803	\$ (197)
Other	–	–	15	15
Total general property taxes	<u>25,000</u>	<u>25,000</u>	<u>24,818</u>	<u>(182)</u>
Earnings on investments	<u>–</u>	<u>–</u>	<u>3,969</u>	<u>3,969</u>
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>28,787</u>	<u>3,787</u>
Expenditures				
Community development				
Current				
Personal services	–	23,410	23,339	71
Supplies	2,000	2,200	1,776	424
Contractual services	<u>16,240</u>	<u>22,640</u>	<u>19,354</u>	<u>3,286</u>
Total expenditures	<u>18,240</u>	<u>48,250</u>	<u>44,469</u>	<u>3,781</u>
Revenues over (under) expenditures	<u>6,760</u>	<u>(23,250)</u>	<u>(15,682)</u>	<u>7,568</u>
Other financing sources (uses)				
Transfer from General Fund	<u>–</u>	<u>30,010</u>	<u>26,556</u>	<u>(3,454)</u>
Net change in fund balance	<u>\$ 6,760</u>	<u>\$ 6,760</u>	<u>10,874</u>	<u>\$ 4,114</u>
Fund balances – January 1			<u>174,650</u>	
Fund balances – December 31			<u>\$ 185,524</u>	

CITY OF SHOREVIEW, MINNESOTA

Nonmajor Special Revenue Fund – Housing and Redevelopment Authority

Statement 25

Schedule of Revenues, Expenditures, and

Changes in Fund Balance – Budget and Actual

For The Year Ended December 31, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues				
General property taxes				
Current	\$ 60,000	\$ 60,000	\$ 57,248	\$ (2,752)
Delinquent	–	–	116	116
Other	–	–	16	16
Total general property taxes	60,000	60,000	57,380	(2,620)
Earnings on investments	–	–	269	269
Total revenues	60,000	60,000	57,649	(2,351)
Expenditures				
Community development				
Current				
Personal services	20,211	20,211	31,070	(10,859)
Contractual services	30,000	30,000	15,707	14,293
Total expenditures	50,211	50,211	46,777	3,434
Revenues over (under) expenditures	9,789	9,789	10,872	1,083
Other financing sources (uses)				
Transfer from General Fund	–	–	10,861	10,861
Net change in fund balance	\$ 9,789	\$ 9,789	21,733	\$ 11,944
Fund balances – January 1			13,967	
Fund balances – December 31			\$ 35,700	

INTERNAL SERVICE FUNDS

The internal service funds were established to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis. Records are maintained on the accrual basis of accounting.

Short-Term Disability Self-Insurance Fund – This fund accounts for the receipt of monthly premiums paid by employees and costs incurred in providing short-term disability insurance to employees on a self-insured basis.

Liability Claims Fund – This fund was established to account for losses in the City's general package insurance under the deductible amount of \$25,000 per loss/\$75,000 annual limit.

Central Garage Fund – This fund accounts for the operation of the Service Center and vehicle maintenance and replacement. Rental rates and user fees are charged to various departments for the use of the facility and equipment.

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Net Assets

Internal Service Funds

December 31, 2011

Statement 26

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Assets				
Current assets				
Cash and investments	\$ 41,503	\$ 191,983	\$ 769,837	\$ 1,003,323
Accrued interest receivable	—	652	2,920	3,572
Accounts receivable	—	—	34	34
Taxes receivable	—	—	1,676	1,676
Due from other governmental units	—	—	56,142	56,142
Prepaid items	—	—	2,544	2,544
Total current assets	<u>41,503</u>	<u>192,635</u>	<u>833,153</u>	<u>1,067,291</u>
Noncurrent assets				
Capital assets				
Land	—	—	36,293	36,293
Buildings and structures	—	—	6,786,055	6,786,055
Machinery and equipment	—	—	4,703,977	4,703,977
Total capital assets	—	—	11,526,325	11,526,325
Less accumulated depreciation	—	—	(2,896,166)	(2,896,166)
Total capital assets (net of accumulated depreciation)	—	—	8,630,159	8,630,159
Total assets	<u>41,503</u>	<u>192,635</u>	<u>9,463,312</u>	<u>9,697,450</u>
Liabilities				
Current liabilities				
Accounts payable	—	581	22,877	23,458
Salaries payable	—	—	2,413	2,413
Contracts payable	—	—	1,000	1,000
Accrued bond interest payable	—	—	103,264	103,264
Due to other governments	—	—	401	401
Compensated absences payable	—	—	253	253
General obligation bonds payable	—	—	100,000	100,000
Total current liabilities	<u>—</u>	<u>581</u>	<u>230,208</u>	<u>230,789</u>
Noncurrent liabilities				
Compensated absences payable (net of current portion)	—	—	4,873	4,873
General obligation bonds payable (net of current portion)	—	—	5,515,000	5,515,000
Total noncurrent liabilities	<u>—</u>	<u>—</u>	<u>5,519,873</u>	<u>5,519,873</u>
Total liabilities	<u>—</u>	<u>581</u>	<u>5,750,081</u>	<u>5,750,662</u>
Net assets				
Invested in capital assets, net of related debt	—	—	3,015,159	3,015,159
Unrestricted	41,503	192,054	698,072	931,629
Total net assets	<u>\$ 41,503</u>	<u>\$ 192,054</u>	<u>\$ 3,713,231</u>	<u>\$ 3,946,788</u>

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Revenues, Expenses, and
Changes in Fund Net Assets
Internal Service Funds
For The Year Ended December 31, 2011

Statement 27

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Operating revenues				
Charges for services	\$ 7,467	\$ —	\$ 1,060,926	\$ 1,068,393
Operating expenses				
Personal services	12,101	—	186,261	198,362
Materials and supplies	—	—	260,668	260,668
Contractual services	—	29,892	42,125	72,017
Utilities	—	—	24,472	24,472
Insurance	—	—	23,519	23,519
Depreciation	—	—	481,085	481,085
Total operating expenses	12,101	29,892	1,018,130	1,060,123
Operating income (loss)	(4,634)	(29,892)	42,796	8,270
Nonoperating revenues (expenses)				
General property taxes	—	—	97,886	97,886
Earnings on investments	948	3,904	17,484	22,336
Gain on sale of capital assets	—	—	64,457	64,457
Loss on disposal of capital assets	—	—	(6,663)	(6,663)
Other	—	43,002	3,562	46,564
Interest and paying agent fees	—	—	(250,112)	(250,112)
Total nonoperating revenues (expenses)	948	46,906	(73,386)	(25,532)
Income (loss) before contributions and transfers	(3,686)	17,014	(30,590)	(17,262)
Capital contributions	—	—	87,391	87,391
Transfers				
Transfer from utility funds	—	—	180,600	180,600
Change in net assets	(3,686)	17,014	237,401	250,729
Net assets – January 1	45,189	175,040	3,475,830	3,696,059
Net assets – December 31	\$ 41,503	\$ 192,054	\$ 3,713,231	\$ 3,946,788

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Cash Flows

Internal Service Funds

For The Year Ended December 31, 2011

Statement 28

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Cash flows from operating activities				
Receipts from interfund services provided	\$ 7,467	\$ —	\$ 1,060,926	\$ 1,068,393
Payments to suppliers	—	(56,027)	(362,337)	(418,364)
Payments to employees	(12,101)	—	(188,053)	(200,154)
Miscellaneous revenue	—	43,002	3,562	46,564
Net cash provided (used) by operating activities	<u>(4,634)</u>	<u>(13,025)</u>	<u>514,098</u>	<u>496,439</u>
Cash flows from capital and related financing activities				
Proceeds from sales of capital assets	—	—	81,477	81,477
Acquisition and construction of capital assets	—	—	(955,967)	(955,967)
Receipts from taxpayers	—	—	96,210	96,210
Transfers from other funds	—	—	180,600	180,600
Capital contributions	—	—	120,716	120,716
Interest and paying agent fees on capital debt	—	—	(345,324)	(345,324)
Net cash provided (used) by capital and related financing activities	<u>—</u>	<u>—</u>	<u>(822,288)</u>	<u>(822,288)</u>
Cash flows from investing activities				
Earnings on investments	<u>948</u>	<u>4,184</u>	<u>28,151</u>	<u>33,283</u>
Net increase (decrease) in cash and cash equivalents	<u>(3,686)</u>	<u>(8,841)</u>	<u>(280,039)</u>	<u>(292,566)</u>
Cash and cash equivalents – January 1	<u>45,189</u>	<u>200,824</u>	<u>1,049,876</u>	<u>1,295,889</u>
Cash and cash equivalents – December 31	<u>\$ 41,503</u>	<u>\$ 191,983</u>	<u>\$ 769,837</u>	<u>\$ 1,003,323</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	<u>\$ (4,634)</u>	<u>\$ (29,892)</u>	<u>\$ 42,796</u>	<u>\$ 8,270</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Miscellaneous revenue	—	43,002	3,562	46,564
Depreciation	—	—	481,085	481,085
Decrease (increase) in receivables	—	—	(34)	(34)
Decrease (increase) in prepaid items	—	—	(670)	(670)
Increase (decrease) in payables	—	(26,135)	(12,641)	(38,776)
Total adjustments	<u>—</u>	<u>16,867</u>	<u>471,302</u>	<u>488,169</u>
Net cash provided (used) by operating activities	<u>\$ (4,634)</u>	<u>\$ (13,025)</u>	<u>\$ 514,098</u>	<u>\$ 496,439</u>
Noncash investing, capital, and financing activities				
Capital asset purchase on account - Accounts payable	\$ —	\$ —	\$ (181,263)	\$ (181,263)
Capital asset purchase on account - Contracts payable	—	—	(223,039)	(223,039)
Due from other governmental units -				
Capital contribution	—	—	(33,325)	(33,325)
Sale of capital assets	—	—	20,000	20,000
Taxes receivable	—	—	1,676	1,676

FIDUCIARY FUNDS

Agency funds account for assets held by a governmental unit in a custodial capacity as an agent for individuals, private organizations, other governmental units, and other funds. The City has the following agency funds:

Hockey Association – This fund accounts for the temporary investment of assets retained by the City pursuant to agreements between the communities of Shoreview, Arden Hills, Mounds View, and New Brighton, and the state of Minnesota Amateur Sports Commission regarding the purchase of ice time at the National Sports Center Ice Arena located in the City of Blaine.

Lake Johanna Volunteer Fire Department – This fund accounts for the temporary receipt and payment of the Lake Johanna Volunteer Fire Department State Fire Aid.

CITY OF SHOREVIEW, MINNESOTA
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2011

Statement 29

	Agency		
	Hockey Association	Lake Johanna Volunteer Fire Department	Total
Assets			
Cash and investments	\$ 408,316	\$ —	\$ 408,316
Accrued interest receivable	928	—	928
Total assets	<u>\$ 409,244</u>	<u>\$ —</u>	<u>\$ 409,244</u>
Liabilities			
Deposits payable	<u>\$ 409,244</u>	<u>\$ —</u>	<u>\$ 409,244</u>

CITY OF SHOREVIEW, MINNESOTA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended December 31, 2011

Statement 30

	Agency		
	Balance – January 1, 2011	Additions	Deletions
			Balance – December 31, 2011
Hockey Association			
Assets			
Cash and investments	\$ 408,211	\$ 7,321	\$ 7,216
Accrued interest receivable	161	928	161
Total assets	<u>\$ 408,372</u>	<u>\$ 8,249</u>	<u>\$ 7,377</u>
			<u>\$ 409,244</u>
Liabilities			
Deposits payable	<u>\$ 408,372</u>	<u>\$ 8,249</u>	<u>\$ 7,377</u>
			<u>\$ 409,244</u>
Lake Johanna Volunteer Fire Department			
Assets			
Cash and investments	<u>\$ –</u>	<u>\$ 187,168</u>	<u>\$ 187,168</u>
			<u>\$ –</u>
Liabilities			
State fire aid payable	<u>\$ –</u>	<u>\$ 187,168</u>	<u>\$ 187,168</u>
			<u>\$ –</u>
Total			
Assets			
Cash and investments	\$ 408,211	\$ 194,489	\$ 194,384
Accrued interest receivable	161	928	161
Total assets	<u>\$ 408,372</u>	<u>\$ 195,417</u>	<u>\$ 194,545</u>
			<u>\$ 409,244</u>
Liabilities			
Deposits payable	\$ 408,372	\$ 8,249	\$ 7,377
State fire aid payable	–	187,168	187,168
Total liabilities	<u>\$ 408,372</u>	<u>\$ 195,417</u>	<u>\$ 194,545</u>
			<u>\$ 409,244</u>

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**FINANCIAL SECTION –
SUPPLEMENTARY FINANCIAL INFORMATION
TAB**

SUPPLEMENTARY FINANCIAL INFORMATION

	Interest Rate	Issue Date	Maturity Date	Prior Years		Outstanding 12/31/2010	2011		Outstanding 12/31/2011	Principal Due in 2012	Interest Due in 2012
				Authorized and Issued	Payments		Issued	Payments			
Bonded indebtedness											
G.O. improvement bonds											
1995 Improvement Bonds	4.10–5.50%	12/01/1995	02/01/2012	\$ 850,000	\$ 720,000	\$ 130,000	\$ –	\$ 65,000	\$ 65,000	\$ 65,000	\$ 1,788
2001 Improvement Bonds	2.65–4.05%	11/01/2001	02/01/2012	635,000	475,000	160,000	–	80,000	80,000	80,000	1,620
2002 Improvement Bonds	2.50–3.65%	11/01/2002	02/01/2014	430,000	240,000	190,000	–	45,000	145,000	45,000	4,329
2004 Improvement Bonds	1.25–3.75%	02/01/2004	02/01/2016	455,000	190,000	265,000	–	40,000	225,000	45,000	7,206
2006 Improvement Bonds	3.25–4.00%	03/01/2006	02/01/2022	205,000	45,000	160,000	–	15,000	145,000	15,000	5,163
2008 Improvement Bonds	3.50–4.375%	11/15/2008	02/01/2025	330,000	–	330,000	–	15,000	315,000	15,000	12,656
2009 Improvement Bonds	3.00–4.00%	11/15/2009	02/01/2021	235,000	–	235,000	–	–	235,000	20,000	7,563
2010 Improvement Bonds	1.00–4.00%	12/16/2010	02/01/2022	140,000	–	140,000	–	–	140,000	–	3,799
Total G.O. improvement bonds				3,280,000	1,670,000	1,610,000	–	260,000	1,350,000	285,000	44,124
G.O. tax increment bonds											
G.O. Refunding Tax Increment Bonds of 2004	1.50–3.40%	02/01/2004	02/01/2013	2,625,000	1,535,000	1,090,000	–	350,000	740,000	370,000	18,592
G.O. Refunding Tax Increment Bonds of 2007	4.00%	11/01/2007	12/01/2015	1,090,000	–	1,090,000	–	–	1,090,000	140,000	43,600
Total G.O. tax increment bonds				3,715,000	1,535,000	2,180,000	–	350,000	1,830,000	510,000	62,192
Other G.O. improvement bonds											
G.O. Capital Improvement Plan Bonds of 2004	2.00–4.10%	10/01/2004	02/01/2020	1,600,000	425,000	1,175,000	–	100,000	1,075,000	100,000	38,868
G.O. Street Improvement Bonds of 2006	4.00–4.20%	06/01/2006	02/01/2022	2,500,000	340,000	2,160,000	–	145,000	2,015,000	150,000	78,880
G.O. Capital Improvement Plan Bonds of 2010	1.20–5.85%	03/10/2010	02/01/2030	5,615,000	–	5,615,000	–	–	5,615,000	100,000	247,232
Total other G.O. improvement bonds				9,715,000	765,000	8,950,000	–	245,000	8,705,000	350,000	364,980
G.O. revenue bonds											
G.O. Water Revenue Bonds of 1999	4.15–5.20%	11/01/1999	02/01/2012	1,015,000	800,000	215,000	–	105,000	110,000	110,000	2,860
G.O. Water Revenue Bonds of 2001	2.30–4.05%	11/01/2001	02/01/2012	680,000	525,000	155,000	–	75,000	80,000	80,000	1,620
G.O. Water Revenue Bonds of 2002	2.50–3.65%	11/01/2002	02/01/2014	295,000	175,000	120,000	–	30,000	90,000	30,000	2,648
G.O. Water Revenue Bonds of 2004	1.25–3.75%	02/01/2004	02/01/2016	445,000	230,000	215,000	–	40,000	175,000	40,000	5,473
G.O. Water Revenue Bonds of 2006	3.25–4.00%	03/01/2006	02/01/2022	860,000	135,000	725,000	–	50,000	675,000	50,000	24,660
G.O. Water Revenue Bonds of 2007	3.50–4.15%	11/01/2007	02/01/2023	845,000	80,000	765,000	–	45,000	720,000	50,000	27,027
G.O. Water Revenue Bonds of 2008	3.50–4.375%	11/15/2008	02/01/2025	2,365,000	90,000	2,275,000	–	115,000	2,160,000	120,000	86,445
G.O. Water Revenue Bonds of 2010	0.75–4.60%	12/16/2010	02/01/2026	1,240,000	–	1,240,000	–	–	1,240,000	70,000	37,926
G.O. Sewer Revenue Bonds of 2004	1.25–3.75%	02/01/2004	02/01/2016	395,000	180,000	215,000	–	30,000	185,000	30,000	6,073
G.O. Sewer Revenue Bonds of 2006	3.25–4.00%	03/01/2006	02/01/2022	270,000	45,000	225,000	–	15,000	210,000	15,000	7,683
G.O. Sewer Revenue Bonds of 2007	3.50–4.15%	11/01/2007	02/01/2023	260,000	25,000	235,000	–	15,000	220,000	15,000	8,270
G.O. Sewer Revenue Bonds of 2008	3.50–4.375%	11/15/2008	02/01/2025	580,000	20,000	560,000	–	30,000	530,000	30,000	21,189
G.O. Sewer Revenue Bonds of 2010	0.75–4.60%	12/16/2010	02/01/2026	985,000	–	985,000	–	–	985,000	55,000	30,219
G.O. Surface Water Revenue Bonds of 2002	2.50–3.65%	11/01/2002	02/01/2014	475,000	285,000	190,000	–	45,000	145,000	45,000	4,329
G.O. Surface Water Revenue Bonds of 2004	1.25–3.75%	02/01/2004	02/01/2016	535,000	245,000	290,000	–	45,000	245,000	45,000	7,944
G.O. Surface Water Revenue Bonds of 2007	3.50–4.15%	11/01/2007	02/01/2023	600,000	55,000	545,000	–	35,000	510,000	35,000	19,147
G.O. Surface Water Revenue Bonds of 2008	3.50–4.375%	11/15/2008	02/01/2025	230,000	10,000	220,000	–	10,000	210,000	10,000	8,445
G.O. Surface Water Revenue Bonds of 2009	3.00–4.00%	11/15/2009	02/01/2021	1,180,000	–	1,180,000	–	90,000	1,090,000	100,000	35,050
G.O. Surface Water Revenue Bonds of 2010	0.75–4.60%	12/16/2010	02/01/2026	355,000	–	355,000	–	–	355,000	20,000	10,963
Total G.O. revenue bonds				13,610,000	2,900,000	10,710,000	–	775,000	9,935,000	950,000	347,971
Total bonded indebtedness				30,320,000	6,870,000	23,450,000	–	1,630,000	21,820,000	2,095,000	819,267
Certificates of Participation of 2002	2.00–5.00%	08/01/2002	02/01/2023	6,175,000	1,495,000	4,680,000	–	4,680,000	–	–	–
Refunding Certificates of Participation of 2011	2.00–3.75%	04/01/2011	08/01/2023	–	–	–	4,620,000	–	4,620,000	290,000	173,353
Loan payable	–	09/26/2006	N/A	6,000,000	–	6,000,000	–	–	6,000,000	–	–
Compensated absences	N/A	N/A	N/A	–	–	338,301	440,555	441,457	337,399	16,641	–
Total city indebtedness				\$ 42,495,000	\$ 8,365,000	\$ 34,468,301	\$ 5,060,555	\$ 6,751,457	\$ 32,777,399	\$ 2,401,641	\$ 992,620

N/A – Not Applicable

	Tax Capacity Values		Tax Capacity Values	
	2009/2010		2010/2011	
Taxable valuations				
Real estate	\$	34,561,300	\$	32,422,015
Personal property		269,727		276,239
Fiscal disparities net		58,737		(124,746)
Less captured tax increment value		(1,933,124)		(1,784,852)
Totals	\$	<u>32,956,640</u>	\$	<u>30,788,656</u>
Tax levies				
Year of extension	2009		2010	
Year of collection	2010		2011	
	Certified Levy	Tax Capacity Rate	Certified Levy	Tax Capacity Rate
Taxes levied				
General Fund	\$ 6,228,739 *	20.053%	\$ 6,343,983 **	21.634%
Shoreview EDA	—	—	25,000	0.085%
Capital project funds	1,890,000	5.786%	2,000,000	6.821%
Debt service funds	565,000	1.730%	527,000	1.797%
Central Garage Fund	—	—	98,000	0.334%
Totals	<u>\$ 8,683,739</u>	<u>27.569%</u>	<u>\$ 8,993,983</u>	<u>30.671%</u>
Shoreview HRA	<u>\$ 48,035 ***</u>	<u>0.169%</u>	<u>\$ 57,730 ****</u>	<u>0.198%</u>

* Reduced by market value homestead credit of \$321,261 to be paid by the state of Minnesota.

** Reduced by market value homestead credit of \$351,751 to be paid by the state of Minnesota.

*** Reduced by market value homestead credit of \$1,965 to be paid by the state of Minnesota.

**** Reduced by market value homestead credit of \$2,270 to be paid by the state of Minnesota.

CITY OF SHOREVIEW, MINNESOTA

Schedule of Deferred Tax Levies

Other General Obligation Bonds

December 31, 2011

Exhibit 3

Year of Tax Levy/Collection	G.O. Capital Improvement Plan Bonds of 2004	G.O. Capital Improvement Plan Bonds 2010	G.O. Street Improvement Bonds of 2006	Total
2011/2012	\$ 143,000	\$ 216,000	\$ 232,000	\$ 591,000
2012/2013	150,614	425,577	241,164	817,355
2013/2014	151,764	422,650	239,694	814,108
2014/2015	152,607	424,389	243,264	820,260
2015/2016	147,945	425,032	241,164	814,141
2016/2017	153,657	430,311	244,104	828,072
2017/2018	153,447	429,412	241,374	824,233
2018/2019	153,027	432,909	243,479	829,415
2019/2020	—	430,133	245,154	675,287
2020/2021	—	432,172	246,173	678,345
2021/2022	—	433,410	—	433,410
2022/2023	—	434,127	—	434,127
2023/2024	—	434,307	—	434,307
2024/2025	—	433,938	—	433,938
2025/2026	—	433,007	—	433,007
2026/2027	—	431,027	—	431,027
2027/2028	—	433,451	—	433,451
2028/2029	—	429,683	—	429,683
2029/2030	—	430,521	—	430,521
Totals	<u>\$ 1,206,061</u>	<u>\$ 7,962,056</u>	<u>\$ 2,417,570</u>	<u>\$ 11,585,687</u>

CITY OF SHOREVIEW, MINNESOTA
Schedule of Deferred Tax Levies
General Obligation Improvement Bonds
December 31, 2011

Exhibit 4

Year of Tax Levy/ Collection	G.O. Improvement Bonds					
	2002	2004	2006	2009	2010	Total
2011/2012	\$ 57,026	\$ —	\$ 10,000	\$ —	\$ —	\$ 67,026
2012/2013	18,363	50,821	6,581	2,350	—	78,115
2013/2014	—	52,947	6,014	6,970	—	65,931
2014/2015	—	28,577	5,431	6,182	3,095	43,285
2015/2016	—	—	10,098	5,395	2,839	18,332
2016/2017	—	—	6,990	4,542	2,509	14,041
2017/2018	—	—	6,591	3,623	2,115	12,329
2018/2019	—	—	6,187	2,704	1,642	10,533
2019/2020	—	—	5,778	1,654	1,130	8,562
2020/2021	—	—	5,363	—	562	5,925
Total	<u>\$ 75,389</u>	<u>\$ 132,345</u>	<u>\$ 69,033</u>	<u>\$ 33,420</u>	<u>\$ 13,892</u>	<u>\$ 324,079</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2011

Exhibit 5

Page 1 of 2

Water Revenue Bonds						
	1999	2001	2002	2004	2006	2007
Bonds payable	\$ 110,000	\$ 80,000	\$ 90,000	\$ 175,000	\$ 675,000	\$ 720,000
Future interest payable	2,860	1,620	4,816	13,891	154,372	184,953
Totals	<u>\$ 112,860</u>	<u>\$ 81,620</u>	<u>\$ 94,816</u>	<u>\$ 188,891</u>	<u>\$ 829,372</u>	<u>\$ 904,953</u>
Payments to maturity						
2012	\$ 112,860	\$ 81,620	\$ 32,648	\$ 45,473	\$ 74,660	\$ 77,027
2013	—	—	31,620	44,122	72,885	75,227
2014	—	—	30,548	42,723	75,995	73,415
2015	—	—	—	41,292	73,987	76,471
2016	—	—	—	15,281	76,860	74,409
2017	—	—	—	—	74,705	77,238
2018	—	—	—	—	77,425	74,943
2019	—	—	—	—	74,843	72,603
2020	—	—	—	—	77,130	75,117
2021	—	—	—	—	74,382	77,400
2022	—	—	—	—	76,500	74,547
2023	—	—	—	—	—	76,556
2024	—	—	—	—	—	—
2025	—	—	—	—	—	—
2026	—	—	—	—	—	—
	<u>\$ 112,860</u>	<u>\$ 81,620</u>	<u>\$ 94,816</u>	<u>\$ 188,891</u>	<u>\$ 829,372</u>	<u>\$ 904,953</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2011

Exhibit 5

Page 2 of 2

	Water Revenue Bonds		Sewer Revenue Bonds					Surface Water Revenue Bonds						Total
	2008	2010	2004	2006	2007	2008	2010	2002	2004	2007	2008	2009	2010	
Bonds payable	\$ 2,160,000	\$ 1,240,000	\$ 185,000	\$ 210,000	\$ 220,000	\$ 530,000	\$ 985,000	\$ 145,000	\$ 245,000	\$ 510,000	\$ 210,000	\$ 1,090,000	\$ 355,000	\$ 9,935,000
Future interest payable	698,693	368,213	17,685	47,873	57,095	170,645	294,110	7,940	23,137	130,592	68,674	201,875	106,657	2,555,701
Totals	<u>\$ 2,858,693</u>	<u>\$ 1,608,213</u>	<u>\$ 202,685</u>	<u>\$ 257,873</u>	<u>\$ 277,095</u>	<u>\$ 700,645</u>	<u>\$ 1,279,110</u>	<u>\$ 152,940</u>	<u>\$ 268,137</u>	<u>\$ 640,592</u>	<u>\$ 278,674</u>	<u>\$ 1,291,875</u>	<u>\$ 461,657</u>	<u>\$ 12,490,701</u>
Payments to maturity														
2012	\$ 206,445	\$ 107,926	\$ 36,073	\$ 22,683	\$ 23,270	\$ 51,189	\$ 85,219	\$ 49,329	\$ 52,944	\$ 54,147	\$ 18,445	\$ 135,050	\$ 30,963	\$ 1,297,971
2013	201,945	112,289	39,972	22,150	22,730	50,064	89,712	52,700	51,425	52,887	18,070	132,050	30,787	1,100,635
2014	202,195	111,445	43,660	21,610	22,186	48,902	89,037	50,911	54,762	51,619	17,683	129,050	30,563	1,096,304
2015	202,095	110,367	42,230	25,970	21,631	47,701	88,175	—	52,975	55,230	22,182	130,975	30,275	1,021,556
2016	201,795	113,918	40,750	25,230	21,069	51,401	87,058	—	56,031	53,730	21,582	127,825	29,902	996,841
2017	201,295	112,077	—	24,480	25,407	50,001	85,677	—	—	52,220	20,983	129,463	34,380	887,926
2018	200,595	109,878	—	23,720	24,642	48,601	88,953	—	—	55,594	20,382	125,750	33,693	884,176
2019	204,595	107,377	—	22,955	23,862	52,101	86,922	—	—	53,839	19,782	126,812	32,911	878,602
2020	203,175	109,548	—	22,180	23,068	50,471	84,695	—	—	52,050	19,171	127,400	32,055	876,060
2021	206,328	106,424	—	21,395	22,263	48,811	87,212	—	—	55,138	18,549	127,500	31,136	876,538
2022	204,081	103,130	—	25,500	21,448	52,025	84,500	—	—	53,100	17,919	—	30,168	742,918
2023	206,431	104,517	—	—	25,519	50,112	81,612	—	—	51,038	22,175	—	29,136	647,096
2024	208,234	100,625	—	—	—	48,172	83,475	—	—	—	21,313	—	28,055	489,874
2025	209,484	101,507	—	—	—	51,094	80,138	—	—	—	20,438	—	26,943	489,604
2026	—	97,185	—	—	—	—	76,725	—	—	—	—	—	30,690	204,600
	<u>\$ 2,858,693</u>	<u>\$ 1,608,213</u>	<u>\$ 202,685</u>	<u>\$ 257,873</u>	<u>\$ 277,095</u>	<u>\$ 700,645</u>	<u>\$ 1,279,110</u>	<u>\$ 152,940</u>	<u>\$ 268,137</u>	<u>\$ 640,592</u>	<u>\$ 278,674</u>	<u>\$ 1,291,875</u>	<u>\$ 461,657</u>	<u>\$ 12,490,701</u>

		G.O. Improvement Bonds								
		1995	2001	2002	2004	2006	2008	2009	2010	Total
Bonds payable		\$ 65,000	\$ 80,000	\$ 145,000	\$ 225,000	\$ 145,000	\$ 315,000	\$ 235,000	\$ 140,000	\$ 1,350,000
Future interest payable		1,788	1,620	7,941	20,169	27,668	101,582	43,419	27,611	231,798
Total		<u>\$ 66,788</u>	<u>\$ 81,620</u>	<u>\$ 152,941</u>	<u>\$ 245,169</u>	<u>\$ 172,668</u>	<u>\$ 416,582</u>	<u>\$ 278,419</u>	<u>\$ 167,611</u>	<u>\$ 1,581,798</u>
Payments to maturity										
2012		\$ 66,788	\$ 81,620	\$ 49,329	\$ 52,206	\$ 20,163	\$ 27,656	\$ 27,563	\$ 3,799	\$ 329,124
2013		—	—	52,700	50,688	19,630	32,000	26,963	13,749	195,730
2014		—	—	50,912	49,112	19,090	31,225	26,363	13,636	190,338
2015		—	—	—	52,413	18,543	30,425	30,687	18,452	150,520
2016		—	—	—	40,750	17,987	29,625	29,937	18,172	136,471
2017		—	—	—	—	22,330	28,825	29,156	17,828	98,139
2018		—	—	—	—	11,760	28,025	28,313	17,415	85,513
2019		—	—	—	—	11,378	27,225	27,437	16,946	82,986
2020		—	—	—	—	10,989	31,307	26,500	16,433	85,229
2021		—	—	—	—	10,598	30,269	25,500	15,881	82,248
2022		—	—	—	—	10,200	29,219	—	15,300	54,719
2023		—	—	—	—	—	28,156	—	—	28,156
2024		—	—	—	—	—	31,969	—	—	31,969
2025		—	—	—	—	—	30,656	—	—	30,656
		<u>\$ 66,788</u>	<u>\$ 81,620</u>	<u>\$ 152,941</u>	<u>\$ 245,169</u>	<u>\$ 172,668</u>	<u>\$ 416,582</u>	<u>\$ 278,419</u>	<u>\$ 167,611</u>	<u>\$ 1,581,798</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

G.O. Tax Increment and Other General Obligation Bonds

December 31, 2011

Exhibit 7

	G.O. Tax Increment Bonds		Other G.O. Bonds			Total
	Refunding Bonds		Capital Plan	Street	Capital Plan	
	2004	2007	2004	2006	2010	
Bonds payable	\$ 740,000	\$ 1,090,000	\$ 1,075,000	\$ 2,015,000	\$ 5,615,000	\$ 10,535,000
Future interest payable	24,882	123,200	199,868	488,315	2,988,834	3,825,099
Total	<u>\$ 764,882</u>	<u>\$ 1,213,200</u>	<u>\$ 1,274,868</u>	<u>\$ 2,503,315</u>	<u>\$ 8,603,834</u>	<u>\$ 14,360,099</u>
Payments to maturity						
2012	\$ 388,592	\$ 183,600	\$ 138,868	\$ 228,880	\$ 347,232	\$ 1,287,172
2013	376,290	298,000	140,281	227,780	489,489	1,531,840
2014	—	367,600	141,490	226,480	484,773	1,220,343
2015	—	364,000	142,439	224,980	483,825	1,215,244
2016	—	—	143,120	228,180	481,625	852,925
2017	—	—	138,620	226,080	483,295	847,995
2018	—	—	143,740	228,680	478,660	851,080
2019	—	—	143,440	225,882	477,650	846,972
2020	—	—	142,870	227,683	470,571	841,124
2021	—	—	—	228,965	467,587	696,552
2022	—	—	—	229,725	463,635	693,360
2023	—	—	—	—	458,908	458,908
2024	—	—	—	—	453,385	453,385
2025	—	—	—	—	447,047	447,047
2026	—	—	—	—	439,530	439,530
2027	—	—	—	—	430,625	430,625
2028	—	—	—	—	425,410	425,410
2029	—	—	—	—	414,033	414,033
2030	—	—	—	—	406,554	406,554
	<u>\$ 764,882</u>	<u>\$ 1,213,200</u>	<u>\$ 1,274,868</u>	<u>\$ 2,503,315</u>	<u>\$ 8,603,834</u>	<u>\$ 14,360,099</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Certificates of Participation

December 31, 2011

Exhibit 8

	Refunding Certificates of Participation 2011
Bonds payable	\$ 4,620,000
Future interest payable	1,042,921
Total	<u>\$ 5,662,921</u>
Payments to maturity	
2012	\$ 463,353
2013	469,215
2014	467,315
2015	470,315
2016	467,935
2017	469,540
2018	474,978
2019	474,058
2020	477,057
2021	478,155
2022	473,750
2023	477,250
	<u>\$ 5,662,921</u>

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CITY OF SHOREVIEW, MINNESOTA
Combining Schedule of Property and Equipment
For The Year Ended December 31, 2011

Exhibit 9

	Capital Assets				Accumulated Depreciation					Net Capital Assets		
	Balance – January 1, 2011	Additions	Deletions	Reclassification	Balance – December 31, 2011	Balance – January 1, 2011	Additions	Deletions	Reclassification	Balance – December 31, 2011	Balance – January 1, 2011	Balance – December 31, 2011
Governmental activities												
Governmental activities (excluding internal service funds)												
Land	\$ 7,671,197	\$ 16,855	\$ –	\$ –	\$ 7,688,052	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 7,671,197	\$ 7,688,052
Buildings and structures	26,891,435	183,813	–	84,928	27,160,176	7,004,904	538,961	–	–	7,543,865	19,886,531	19,616,311
Machinery and equipment	2,267,934	251,886	144,530	146,575	2,521,865	1,498,236	134,126	122,827	–	1,509,535	769,698	1,012,330
Infrastructure	55,620,543	261,240	57,777	783,797	56,607,803	31,032,427	1,630,877	57,777	–	32,605,527	24,588,116	24,002,276
Construction in progress	918,590	1,721,202	55,660	(1,015,300)	1,568,832	–	–	–	–	–	918,590	1,568,832
Total	93,369,699	2,434,996	257,967	–	95,546,728	39,535,567	2,303,964	180,604	–	41,658,927	53,834,132	53,887,801
Internal service fund												
Central garage												
Land	36,293	–	–	–	36,293	–	–	–	–	–	36,293	36,293
Buildings and structures	1,608,200	–	–	5,177,855	6,786,055	834,860	142,384	–	–	977,244	773,340	5,808,811
Machinery and equipment	4,020,227	453,390	298,998	529,358	4,703,977	1,835,536	338,701	255,315	–	1,918,922	2,184,691	2,785,055
Construction in progress	5,608,938	98,275	–	(5,707,213)	–	–	–	–	–	–	5,608,938	–
Total central garage	11,273,658	551,665	298,998	–	11,526,325	2,670,396	481,085	255,315	–	2,896,166	8,603,262	8,630,159
Total governmental activities	104,643,357	2,986,661	556,965	–	107,073,053	42,205,963	2,785,049	435,919	–	44,555,093	62,437,394	62,517,960
Business-type activities												
Water utility												
Land	27,577	–	–	–	27,577	–	–	–	–	–	27,577	27,577
Buildings and structures	5,999,914	13,712	363,206	802,145	6,452,565	2,501,982	179,365	255,054	–	2,426,293	3,497,932	4,026,272
Machinery and equipment	2,479,898	–	–	–	2,479,898	132,600	98,383	–	–	230,983	2,347,298	2,248,915
Distribution system	15,353,776	30,900	–	261,578	15,646,254	7,416,597	331,319	–	–	7,747,916	7,937,179	7,898,338
Construction in progress	290,297	947,019	–	(1,063,723)	173,593	–	–	–	–	–	290,297	173,593
Total water utility	24,151,462	991,631	363,206	–	24,779,887	10,051,179	609,067	255,054	–	10,405,192	14,100,283	14,374,695
Sewer utility												
Land	11,459	–	–	–	11,459	–	–	–	–	–	11,459	11,459
Buildings and structures	1,340,697	–	10,220	–	1,330,477	392,508	52,212	10,220	–	434,500	948,189	895,977
Machinery and equipment	46,707	–	–	–	46,707	26,650	2,600	–	–	29,250	20,057	17,457
Collection system	10,716,496	10,036	–	868,615	11,595,147	5,890,590	241,081	–	–	6,131,671	4,825,906	5,463,476
Construction in progress	89,727	1,030,539	–	(868,615)	251,651	–	–	–	–	–	89,727	251,651
Total sewer utility	12,205,086	1,040,575	10,220	–	13,235,441	6,309,748	295,893	10,220	–	6,595,421	5,895,338	6,640,020
Surface water management utility												
Land	265,166	–	–	–	265,166	–	–	–	–	–	265,166	265,166
Machinery and equipment	10,132	–	–	–	10,132	8,468	175	–	–	8,643	1,664	1,489
Collection system	10,021,093	430	–	321,019	10,342,542	1,689,665	213,886	–	–	1,903,551	8,331,428	8,438,991
Construction in progress	286,724	287,343	–	(321,019)	253,048	–	–	–	–	–	286,724	253,048
Total surface water management utility	10,583,115	287,773	–	–	10,870,888	1,698,133	214,061	–	–	1,912,194	8,884,982	8,958,694
Street light utility												
Machinery and equipment	723	–	–	–	723	36	72	–	–	108	687	615
Distribution system	1,407,619	–	11,298	105,702	1,502,023	952,883	36,793	11,298	–	978,378	454,736	523,645
Construction in progress	40,000	65,702	–	(105,702)	–	–	–	–	–	–	40,000	–
Total street light utility	1,448,342	65,702	11,298	–	1,502,746	952,919	36,865	11,298	–	978,486	495,423	524,260
Total business-type activities	48,388,005	2,385,681	384,724	–	50,388,962	19,011,979	1,155,886	276,572	–	19,891,293	29,376,026	30,497,669
Total government	\$ 153,031,362	\$ 5,372,342	\$ 941,689	\$ –	\$ 157,462,015	\$ 61,217,942	\$ 3,940,935	\$ 712,491	\$ –	\$ 64,446,386	\$ 91,813,420	\$ 93,015,629

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STATISTICAL SECTION

TAB

III. STATISTICAL SECTION (UNAUDITED)

This part of the City of Shoreview, Minnesota's (the City) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents:	Table No.
Financial Trends	1–5
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	6–12
These schedules contain information to help the reader assess the City's most significant revenue source, including the property tax and utility revenue.	
Debt Capacity	13–17
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	18–19
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Indicators	20–22
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides, and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF SHOREVIEW
Net Assets by Component
Last Nine Fiscal Years
(Accrual Basis of Accounting)

Table 1

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	\$ 34,910,911	\$ 32,176,753	\$ 36,726,916	\$ 37,146,161	\$ 37,992,925	\$ 38,182,484	\$ 39,316,149	\$ 39,050,369	\$ 40,029,233
Restricted	3,329,951	6,416,990	3,672,378	3,944,143	4,570,921	3,453,661	4,507,834	5,329,637	6,325,795
Unrestricted	2,575,026	10,178,375	8,626,192	9,746,983	10,283,862	9,760,917	8,899,115	10,475,310	10,991,847
Total governmental activities net assets	<u>\$ 40,815,888</u>	<u>\$ 48,772,118</u>	<u>\$ 49,025,486</u>	<u>\$ 50,837,287</u>	<u>\$ 52,847,708</u>	<u>\$ 51,397,062</u>	<u>\$ 52,723,098</u>	<u>\$ 54,855,316</u>	<u>\$ 57,346,875</u>
Business-type activities									
Invested in capital assets, net of related debt	\$ 19,731,650	\$ 19,651,509	\$ 20,884,710	\$ 19,844,055	\$ 19,677,375	\$ 19,623,905	\$ 20,721,589	\$ 20,512,610	\$ 20,704,816
Restricted	913,925	751,051	761,313	550,207	437,425	441,550	432,375	408,379	246,811
Unrestricted	5,648,448	6,032,800	4,537,985	5,625,299	6,259,855	6,621,360	6,904,000	7,090,656	6,974,381
Total business-type activities net assets	<u>\$ 26,294,023</u>	<u>\$ 26,435,360</u>	<u>\$ 26,184,008</u>	<u>\$ 26,019,561</u>	<u>\$ 26,374,655</u>	<u>\$ 26,686,815</u>	<u>\$ 28,057,964</u>	<u>\$ 28,011,645</u>	<u>\$ 27,926,008</u>
Primary government									
Invested in capital assets, net of related debt	\$ 54,642,561	\$ 51,828,262	\$ 57,611,626	\$ 56,990,216	\$ 57,670,300	\$ 57,806,389	\$ 60,037,738	\$ 59,562,979	\$ 60,734,049
Restricted	4,243,876	7,168,041	4,433,691	4,494,350	5,008,346	3,895,211	4,940,209	5,738,016	6,572,606
Unrestricted	8,223,474	16,211,175	13,164,177	15,372,282	16,543,717	16,382,277	15,803,115	17,565,966	17,966,228
Total primary government net assets	<u>\$ 67,109,911</u>	<u>\$ 75,207,478</u>	<u>\$ 75,209,494</u>	<u>\$ 76,856,848</u>	<u>\$ 79,222,363</u>	<u>\$ 78,083,877</u>	<u>\$ 80,781,062</u>	<u>\$ 82,866,961</u>	<u>\$ 85,272,883</u>

Note: The City implemented GASB Statement No. 34 in fiscal 2003. This information is not available for previous years.

CITY OF SHOREVIEW
Changes in Net Assets
Last Nine Fiscal Years
(Accrual Basis of Accounting)

Table 2
Page 1 of 2

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities									
General government	\$ 1,825,511	\$ 1,898,145	\$ 1,957,641	\$ 2,012,555	\$ 2,128,804	\$ 2,225,081	\$ 2,199,814	\$ 2,192,010	\$ 2,227,952
Public safety	1,964,113	2,016,911	2,120,855	2,280,770	2,283,009	2,659,654	2,612,926	2,642,094	2,783,332
Public works	3,323,143	3,230,781	4,134,959	3,249,104	3,520,883	3,860,277	3,737,382	3,512,821	3,909,642
Parks and recreation	4,903,365	4,645,904	4,969,529	5,030,570	4,980,839	5,862,962	5,931,822	5,737,675	6,169,365
Community development	611,463	817,033	907,790	979,173	886,415	2,555,177	1,357,296	1,472,700	1,398,228
Interest on long-term debt	908,407	791,421	670,144	576,390	675,827	572,356	524,858	697,523	911,854
Total governmental activities expenses	13,536,002	13,400,195	14,760,918	14,128,562	14,475,777	17,735,507	16,364,098	16,254,823	17,400,373
Business-type activities									
Water	1,557,147	1,542,071	1,679,459	1,776,555	1,792,092	1,927,324	1,912,770	2,051,213	2,281,299
Sewer	2,417,677	2,525,698	2,653,292	2,704,443	2,683,832	2,883,638	3,320,551	3,173,831	3,315,044
Surface water	534,283	584,250	583,521	659,539	700,644	753,179	755,520	906,527	966,638
Street lights	–	234,792	226,177	257,344	255,020	258,168	255,038	282,638	318,063
Total business-type activities expenses	4,509,107	4,886,811	5,142,449	5,397,881	5,431,588	5,822,309	6,243,879	6,414,209	6,881,044
Total primary government expenses	<u>\$ 18,045,109</u>	<u>\$ 18,287,006</u>	<u>\$ 19,903,367</u>	<u>\$ 19,526,443</u>	<u>\$ 19,907,365</u>	<u>\$ 23,557,816</u>	<u>\$ 22,607,977</u>	<u>\$ 22,669,032</u>	<u>\$ 24,281,417</u>
Program revenues									
Government activities									
Charges for services									
General government	\$ 1,074,619	\$ 1,168,903	\$ 1,270,942	\$ 1,246,723	\$ 1,332,706	\$ 1,333,609	\$ 1,384,028	\$ 1,493,412	\$ 1,597,025
Public safety	54,152	67,128	61,284	61,161	53,697	59,091	61,578	36,315	64,225
Public works	663,173	638,369	640,760	541,602	675,276	702,876	815,048	692,040	741,563
Parks and recreation	2,492,990	2,733,549	2,844,391	2,791,453	2,748,584	2,877,161	3,144,695	3,385,971	3,620,548
Community development	507,745	939,906	559,333	610,697	709,768	575,989	388,087	579,792	479,074
Operating grants and contributions	220,979	258,545	342,822	277,233	241,590	118,437	236,381	250,264	311,246
Capital grants and contributions	1,927,997	2,939,081	1,024,129	1,029,830	78,181	131,876	920,597	881,392	1,145,697
Total governmental activities program revenues	6,941,655	8,745,481	6,743,661	6,558,699	5,839,802	5,799,039	6,950,414	7,319,186	7,959,378
Business-type activities									
Charges for services									
Water	1,550,553	1,471,639	1,360,134	1,649,154	1,847,847	1,920,360	2,225,830	2,009,301	2,186,139
Sewer	2,251,429	2,348,124	2,462,406	2,616,043	2,695,914	2,849,000	3,151,607	3,254,199	3,548,325
Surface water	578,271	596,565	599,376	632,155	684,387	749,967	809,111	926,154	1,008,151
Street lights	–	197,552	197,108	218,101	232,419	303,697	334,047	348,778	365,475
Operating grants and contributions	11,641	11,942	–	–	–	–	–	–	–
Capital grants and contributions	–	397,692	50,730	32,290	220,512	87,063	1,088,613	37,176	27,878
Total business-type activities program revenues	4,391,894	5,023,514	4,669,754	5,147,743	5,681,079	5,910,087	7,609,208	6,575,608	7,135,968
Total primary government program revenues	<u>\$ 11,333,549</u>	<u>\$ 13,768,995</u>	<u>\$ 11,413,415</u>	<u>\$ 11,706,442</u>	<u>\$ 11,520,881</u>	<u>\$ 11,709,126</u>	<u>\$ 14,559,622</u>	<u>\$ 13,894,794</u>	<u>\$ 15,095,346</u>

CITY OF SHOREVIEW

Changes in Net Assets
Last Nine Fiscal Years (continued)
(Accrual Basis of Accounting)

Table 2
Page 2 of 2

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (expense) revenue									
Governmental activities	\$ (6,594,347)	\$ (4,654,714)	\$ (8,017,257)	\$ (7,569,863)	\$ (8,635,975)	\$ (11,936,468)	\$ (9,413,684)	\$ (8,935,637)	\$ (9,440,995)
Business-type activities	(117,213)	136,703	(472,695)	(250,138)	249,491	87,778	1,365,329	161,399	254,924
Total primary government net expense	<u>\$ (6,711,560)</u>	<u>\$ (4,518,011)</u>	<u>\$ (8,489,952)</u>	<u>\$ (7,820,001)</u>	<u>\$ (8,386,484)</u>	<u>\$ (11,848,690)</u>	<u>\$ (8,048,355)</u>	<u>\$ (8,774,238)</u>	<u>\$ (9,186,071)</u>
General revenues and other changes in net assets									
Governmental activities									
Taxes									
Property taxes	\$ 5,745,774	\$ 6,250,274	\$ 6,452,818	\$ 6,966,696	\$ 7,584,996	\$ 7,919,725	\$ 8,328,002	\$ 8,620,022	\$ 8,911,670
Tax increments	1,391,261	1,514,784	1,556,678	1,638,599	1,785,481	1,840,640	2,007,418	1,935,523	2,035,627
Unrestricted grants and contributions	36,835	36,582	37,547	36,342	311,849	187,030	44,876	40,762	41,851
Investment earnings	179,755	261,132	282,518	565,522	776,753	503,337	192,083	168,822	374,378
Gain on disposal of capital assets	11,656	17,807	36,241	32,762	7,317	31,090	60,749	29,473	64,709
Forgiveness of debt	23,557	—	—	—	—	—	—	—	—
Miscellaneous	—	5,644	620	—	—	—	—	—	—
Transfers	(212,115)	123,186	(95,797)	141,743	180,000	4,000	106,592	273,253	504,319
Total governmental activities	<u>7,176,723</u>	<u>8,209,409</u>	<u>8,270,625</u>	<u>9,381,664</u>	<u>10,646,396</u>	<u>10,485,822</u>	<u>10,739,720</u>	<u>11,067,855</u>	<u>11,932,554</u>
Business-type activities									
Investment earnings	80,081	127,820	125,546	227,434	285,603	228,382	112,412	65,535	163,758
Transfers	212,115	(123,186)	95,797	(141,743)	(180,000)	(4,000)	(106,592)	(273,253)	(504,319)
Total business-type activities	<u>292,196</u>	<u>4,634</u>	<u>221,343</u>	<u>85,691</u>	<u>105,603</u>	<u>224,382</u>	<u>5,820</u>	<u>(207,718)</u>	<u>(340,561)</u>
Total primary government	<u>\$ 7,468,919</u>	<u>\$ 8,214,043</u>	<u>\$ 8,491,968</u>	<u>\$ 9,467,355</u>	<u>\$ 10,751,999</u>	<u>\$ 10,710,204</u>	<u>\$ 10,745,540</u>	<u>\$ 10,860,137</u>	<u>\$ 11,591,993</u>
Change in net assets									
Governmental activities	\$ 582,376	\$ 3,554,695	\$ 253,368	\$ 1,811,801	\$ 2,010,421	\$ (1,450,646)	\$ 1,326,036	\$ 2,132,218	\$ 2,491,559
Business-type activities	174,983	141,337	(251,352)	(164,447)	355,094	312,160	1,371,149	(46,319)	(85,637)
Total primary government	<u>\$ 757,359</u>	<u>\$ 3,696,032</u>	<u>\$ 2,016</u>	<u>\$ 1,647,354</u>	<u>\$ 2,365,515</u>	<u>\$ (1,138,486)</u>	<u>\$ 2,697,185</u>	<u>\$ 2,085,899</u>	<u>\$ 2,405,922</u>

Note: The City implemented GASB Statement No. 34 in fiscal 2003. This information is not available for previous years.

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CITY OF SHOREVIEW**Governmental Activities Tax Revenues by Source**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

Table 3

<u>Fiscal Year</u>	<u>General Property Tax</u>	<u>Tax Increments</u>	<u>Total</u>
2002	\$ 5,459,330	\$ 1,152,111	\$ 6,611,441
2003	5,745,774	1,391,261	7,137,035
2004	6,250,274	1,514,784	7,765,058
2005	6,452,818	1,556,678	8,009,496
2006	6,966,696	1,638,599	8,605,295
2007	7,584,996	1,785,481	9,370,477
2008	7,919,725	1,840,640	9,760,365
2009	8,328,002	2,007,418	10,335,420
2010	8,620,022	1,935,523	10,555,545
2011	8,911,670	2,035,627	10,947,297

CITY OF SHOREVIEW
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 4

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)
General Fund										
Nonspendable										
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,954
Unassigned	-	-	-	-	-	-	-	-	-	3,958,458
Reserved	345	269	12,293	11,763	41,139	46,887	47,363	48,559	6,463	-
Unreserved	2,922,488	2,652,045	2,719,514	2,822,064	3,010,210	3,394,008	3,555,239	3,814,089	3,914,672	-
Total General Fund	<u>\$ 2,922,833</u>	<u>\$ 2,652,314</u>	<u>\$ 2,731,807</u>	<u>\$ 2,833,827</u>	<u>\$ 3,051,349</u>	<u>\$ 3,440,895</u>	<u>\$ 3,602,602</u>	<u>\$ 3,862,648</u>	<u>\$ 3,921,135</u>	<u>\$ 3,976,412</u>
All other governmental funds										
Nonspendable										
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,924
Restricted	-	-	-	-	-	-	-	-	-	5,955,357
Committed	-	-	-	-	-	-	-	-	-	5,030,274
Assigned	-	-	-	-	-	-	-	-	-	1,200,724
Unassigned	-	-	-	-	-	-	-	-	-	(46,333)
Reserved	1,428,557	2,280,164	5,333,751	3,213,286	3,572,300	5,402,601	3,299,496	4,204,725	5,336,946	-
Unreserved, reported in										
Special revenue funds	1,004,693	981,581	1,037,895	927,985	930,430	922,183	952,644	1,083,914	1,338,648	-
Capital projects funds	6,618,419	2,643,093	6,049,143	4,008,834	6,300,458	5,366,600	4,441,511	3,499,574	3,884,575	-
Total all other governmental funds	<u>\$ 9,051,669</u>	<u>\$ 5,904,838</u>	<u>\$ 12,420,789</u>	<u>\$ 8,150,105</u>	<u>\$ 10,803,188</u>	<u>\$ 11,691,384</u>	<u>\$ 8,693,651</u>	<u>\$ 8,788,213</u>	<u>\$ 10,560,169</u>	<u>\$ 12,149,946</u>

(1) The implementation of Governmental Accounting Standards Board Statement No. 54 in 2011 resulted in a significant change in the City's fund balance classifications. Prior years information has not been restated.

CITY OF SHOREVIEW

Changes in Fund Balances of Governmental Fund:
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 5

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes										
General property taxes	\$ 5,459,830	\$ 5,751,431	\$ 6,256,254	\$ 6,443,342	\$ 6,964,113	\$ 7,578,220	\$ 7,897,145	\$ 8,274,948	\$ 8,649,002	\$ 8,843,965
Tax increments	1,152,111	1,391,261	1,514,784	1,556,678	1,638,599	1,785,481	1,840,640	2,007,418	1,935,523	2,035,627
Special assessments	284,501	290,222	377,363	223,774	217,849	152,745	159,197	260,209	208,473	193,372
Licenses and permits	727,125	442,493	771,993	479,418	519,666	653,392	531,895	368,878	501,198	441,243
Intergovernmental	1,648,092	1,621,682	2,180,799	964,114	950,468	409,907	280,361	404,823	449,736	1,180,975
Charges for services	3,519,753	4,070,423	4,466,391	4,587,497	4,397,122	4,541,833	4,682,853	5,054,020	5,295,987	5,560,160
Fines and forfeits	55,544	47,964	61,173	55,782	52,605	49,462	55,814	55,582	32,813	62,135
Earnings on investments	461,907	165,456	240,566	264,449	527,272	727,810	477,652	179,965	133,828	352,042
Payments in lieu of taxes	385,619	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Antenna rental fees	109,781	102,899	116,564	147,194	142,183	147,056	156,934	178,643	228,607	319,150
Loan payments	10,000	10,000	144,500	14,500	14,500	14,500	21,750	21,750	21,750	21,750
Miscellaneous	88,354	228,213	480,067	396,400	238,796	198,053	81,209	68,358	88,001	87,816
Total revenues	<u>13,902,617</u>	<u>14,232,044</u>	<u>16,720,454</u>	<u>15,243,148</u>	<u>15,773,173</u>	<u>16,368,459</u>	<u>16,295,450</u>	<u>16,984,594</u>	<u>17,654,918</u>	<u>19,208,235</u>
Expenditures										
Current										
General government	1,573,414	1,660,675	1,723,973	1,797,619	1,837,668	1,929,640	2,009,234	1,982,564	2,086,403	2,062,470
Public safety	1,754,474	1,835,082	1,943,598	2,045,987	2,188,814	2,175,694	2,550,216	2,515,416	2,557,182	2,697,842
Public works	1,711,833	2,016,753	1,773,393	2,701,593	1,776,118	1,986,180	2,215,994	2,135,743	1,913,770	2,235,780
Parks and recreation	3,384,373	4,597,022	4,237,102	4,580,040	4,638,698	4,579,140	5,322,799	5,442,013	5,213,371	5,746,983
Community development	702,046	509,673	811,259	898,564	971,118	894,001	2,558,932	1,347,855	1,468,725	1,392,619
Miscellaneous	127,251	125,038	104,937	94,460	100,375	110,135	117,609	145,689	120,007	—
Capital outlay	6,776,576	4,771,845	2,416,176	2,667,448	8,078,575	2,472,723	1,520,192	1,932,761	1,295,891	2,191,037
Debt service										
Principal	1,720,828	1,619,370	1,409,351	1,626,674	1,670,000	1,550,000	1,705,000	1,115,000	1,120,000	1,125,000
Interest and paying agent fees	879,616	927,375	752,364	704,913	580,492	684,749	615,224	535,526	512,080	367,213
Payment to refunded bond escrow agent	—	—	—	—	—	—	—	—	—	85,989
Total expenditures	<u>18,630,411</u>	<u>18,062,833</u>	<u>15,172,153</u>	<u>17,117,298</u>	<u>21,841,858</u>	<u>16,382,262</u>	<u>18,615,200</u>	<u>17,152,567</u>	<u>16,287,429</u>	<u>17,904,933</u>
Revenues over (under) expenditures	<u>(4,727,794)</u>	<u>(3,830,789)</u>	<u>1,548,301</u>	<u>(1,874,150)</u>	<u>(6,068,685)</u>	<u>(13,803)</u>	<u>(2,319,750)</u>	<u>(167,973)</u>	<u>1,367,489</u>	<u>1,303,302</u>
Other financing sources (uses)										
Issuance of refunding debt	3,250,000	—	2,625,000	—	—	1,090,000	—	—	—	4,620,000
Loan issued	—	—	—	—	6,000,000	—	—	—	—	—
Bonds issued	6,605,000	—	2,055,000	—	2,705,000	—	330,000	235,000	140,000	—
Premium on bonds issued	9,872	—	1,255	—	—	17,027	—	6,150	—	—
Discount on debt issuance	(79,752)	—	(16,972)	—	(10,869)	—	(1,676)	—	(1,120)	(44,759)
Payments to refunded bond escrow agent	(5,053,630)	—	—	(2,550,000)	—	—	(1,085,000)	—	—	(4,575,241)
Sale of capital assets	860	9,128	—	9,106	5,159	—	400	8,431	—	752
Transfers in	200,000	219,344	382,860	246,380	240,000	244,518	240,000	273,000	324,074	341,000
Transfers out	—	—	—	—	—	(60,000)	—	—	—	—
Total other financing sources (uses)	<u>4,932,350</u>	<u>228,472</u>	<u>5,047,143</u>	<u>(2,294,514)</u>	<u>8,939,290</u>	<u>1,291,545</u>	<u>(516,276)</u>	<u>522,581</u>	<u>462,954</u>	<u>341,752</u>
Net change in fund balances	<u>\$ 204,556</u>	<u>\$ (3,602,317)</u>	<u>\$ 6,595,444</u>	<u>\$ (4,168,664)</u>	<u>\$ 2,870,605</u>	<u>\$ 1,277,742</u>	<u>\$ (2,836,026)</u>	<u>\$ 354,608</u>	<u>\$ 1,830,443</u>	<u>\$ 1,645,054</u>
Debt service as a percentage of noncapital expenditures	<u>21.9%</u>	<u>19.2%</u>	<u>16.9%</u>	<u>16.1%</u>	<u>16.4%</u>	<u>16.1%</u>	<u>13.6%</u>	<u>10.8%</u>	<u>10.9%</u>	<u>10.0%</u>

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CITY OF SHOREVIEW

 Taxable Net Tax Capacity Value and Estimated Market Value of Taxable Property
 Last Ten Fiscal Years

Table 6

Fiscal Year	Real Property		Personal Property	Agricultural and Miscellaneous	Less Captured Tax Increment Value	Total Taxable Net Tax Capacity Value	Total Direct Tax Rate	Total Market Value	Net Tax Capacity as a Percentage of Market Value
	Residential Property	Commercial Property							
2002	\$ 16,135,288	\$4,355,341	\$ 257,510	\$ 18,916	\$ 1,185,545	\$ 19,581,510	30.402%	\$1,789,986,200	1.1%
2003	17,759,222	4,837,859	277,245	17,402	1,289,723	21,602,005	28.753%	1,994,116,600	1.1%
2004	19,838,893	5,718,678	267,246	20,633	1,426,915	24,418,535	27.067%	2,254,552,400	1.1%
2005	22,604,377	5,831,835	273,152	29,250	1,601,414	27,137,200	25.445%	2,544,617,800	1.1%
2006	25,308,639	6,526,392	280,671	24,285	1,665,131	30,474,856	23.974%	2,844,890,400	1.1%
2007	27,747,993	7,310,552	287,179	29,364	1,830,461	33,544,627	23.299%	3,124,914,300	1.1%
2008	28,781,938	8,444,482	278,268	23,059	2,129,346	35,398,401	23.532%	3,276,232,000	1.1%
2009	28,005,715	8,329,045	272,674	25,617	2,033,697	34,599,354	25.129%	3,198,277,000	1.1%
2010	26,372,797	8,238,244	269,727	8,996	1,933,124	32,956,640	27.569%	3,015,578,000	1.1%
2011	24,749,422	7,524,515	276,239	23,332	1,784,852	30,788,656	30.671%	2,838,577,100	1.1%

Percentage of Total Net Tax Capacity Value

2002	82.4%	22.2%	1.3%	0.1%	6.1%	100.0%
2003	82.2%	22.4%	1.3%	0.1%	6.0%	100.0%
2004	81.2%	23.4%	1.1%	0.1%	5.8%	100.0%
2005	83.3%	21.5%	1.0%	0.1%	5.9%	100.0%
2006	83.0%	21.4%	0.9%	0.1%	5.5%	100.0%
2007	82.7%	21.8%	0.9%	0.1%	5.5%	100.0%
2008	81.3%	23.9%	0.8%	0.1%	6.0%	100.0%
2009	80.9%	24.1%	0.8%	0.1%	5.9%	100.0%
2010	80.0%	25.0%	0.8%	0.1%	6.0%	100.0%
2011	80.4%	24.4%	0.9%	0.1%	5.8%	100.0%

Tax exempt property values are not included in total net capacity value.

Source: Ramsey County Assessor's Office

CITY OF SHOREVIEW

Property Tax Rates
Direct and Overlapping (1) Governments
Last Ten Fiscal Years

Table 7

City of Shoreview	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Tax Capacity Rates:										
City of Shoreview										
General Fund	25.785%	24.092%	21.287%	19.352%	18.244%	17.164%	16.972%	18.346%	20.053%	21.634%
Special Revenue	—	—	—	—	—	—	—	—	—	0.085%
Capital Project	4.109%	3.855%	4.680%	4.865%	4.632%	4.403%	4.863%	5.175%	5.786%	6.821%
Debt Service	0.508%	0.806%	1.100%	1.228%	1.098%	1.732%	1.697%	1.608%	1.730%	1.797%
Internal Service	—	—	—	—	—	—	—	—	—	0.334%
Total City Tax Rate	30.402%	28.753%	27.067%	25.445%	23.974%	23.299%	23.532%	25.129%	27.569%	30.671%
Shoreview HRA	—	—	—	—	—	—	—	—	0.169%	0.198%
Overlapping Rates										
Ramsey County	50.749%	50.286%	49.439%	45.848%	43.554%	41.967%	41.158%	43.171%	46.598%	50.801%
Ramsey County Library	4.617%	4.317%	3.696%	3.362%	3.069%	2.976%	2.865%	3.375%	3.650%	3.877%
Total County Tax Rate	55.366%	54.603%	53.135%	49.210%	46.623%	44.943%	44.023%	46.546%	50.248%	54.678%
Rice Creek Watershed	1.174%	1.208%	1.206%	1.606%	1.794%	1.315%	1.608%	1.545%	1.511%	1.618%
School Districts										
District #621	25.379%	21.984%	21.843%	22.112%	23.419%	23.264%	20.380%	22.937%	24.560%	25.573%
District #623	10.019%	12.486%	15.431%	16.713%	16.664%	12.372%	10.175%	10.624%	13.065%	14.566%
District #916	0.070%	0.098%	0.083%	0.075%	0.066%	—	—	—	—	—
Other										
Regional rail	0.096%	1.407%	0.522%	0.833%	2.453%	3.956%	3.454%	3.521%	3.700%	3.921%
Regional transit	1.586%	1.852%	—	—	—	—	—	—	—	—
Metropolitan Council	1.532%	1.506%	3.115%	2.755%	2.491%	2.174%	2.051%	2.084%	2.261%	2.313%
Mosquito Control	0.514%	0.586%	0.606%	0.588%	0.523%	0.501%	0.479%	0.487%	0.480%	0.503%
Total Direct and Overlapping Tax Capacity Rates:										
Grass Lake, #621 & #916	114.945%	110.789%	106.371%	101.018%	99.549%	98.137%	93.919%	100.704%	108.987%	117.857%
Rice Creek, #621 & #916	116.119%	111.997%	107.577%	102.624%	101.343%	99.452%	95.527%	102.249%	110.498%	119.475%
Grass Lake, #623 & #916	99.585%	101.291%	99.959%	95.619%	92.794%	87.245%	83.714%	88.391%	97.492%	106.850%
Rice Creek, #623 & #916	100.759%	102.499%	101.165%	97.225%	94.588%	88.560%	85.322%	89.936%	99.003%	108.468%
State-Wide Tax Capacity Rates:										
Commercial, industrial, and non-electric public utilities	57.933%	54.447%	54.109%	51.121%	50.827%	48.032%	45.949%	45.535%	45.881%	49.043%
Cabins	57.933%	54.447%	54.109%	51.121%	28.385%	24.225%	20.385%	18.214%	17.755%	19.145%
Market Value Tax Rates:										
Overlapping Rates										
School Districts										
District #621	0.06375%	0.05178%	0.15947%	0.12131%	0.12803%	0.18163%	0.18924%	0.18685%	0.18882%	0.19536%
District #623	0.17734%	0.20792%	0.19583%	0.16244%	0.15115%	0.16932%	0.18134%	0.20390%	0.20374%	0.19715%

Source: Ramsey County Assessor's office

(1) Overlapping rates are those of local, county, regional, and state governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners (e.g. the rates for special districts apply only to the portion of the property located within the geographic boundaries of the special district).

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Table 8

Taxpayer	2011				2002			
	Market Value	Taxable Net Tax Capacity Value	Rank	Percentage of Total Net Tax Capacity Value	Market Value	Taxable Net Tax Capacity Value	Rank	Percentage of Total Net Tax Capacity Value
Ari - Shoreview Corp. Center, LLC	\$ 50,699,100	\$ 1,013,232	1	3.29%	\$ -	\$ -	-	-
Wells Fargo	43,700,000	873,250	2	2.84%	-	-	-	-
Deluxe Corporation	30,500,000	609,250	3	1.98%	27,012,400	539,498	2	2.76%
Canis Rice Creek, LLC	16,383,200	326,164	4	1.06%	-	-	-	-
Medtronic	15,049,700	300,244	5	0.98%	12,000,000	239,250	5	1.22%
Dayton Hudson Corporation	15,000,000	299,250	6	0.97%	9,146,100	182,172	6	0.93%
Terrace Apartments Company	20,624,300	257,805	7	0.84%	13,608,000	244,944	4	1.25%
Northern States Power Co.	12,631,500	252,630	8	0.82%	12,760,100	255,202	3	1.30%
TSI Inc.	8,945,100	178,152	9	0.58%	5,160,800	102,466	10	0.52%
Shoreview Grand	7,949,700	158,244	10	0.51%	-	-	-	-
Shoreview Associates, LLC	-	-	-	-	41,250,000	824,250	1	4.21%
Lakeshore Oaks Apartments	-	-	-	-	10,080,000	181,440	7	0.93%
Carroll Ventures Company	-	-	-	-	8,880,000	159,840	8	0.82%
Sidal Realty Co. Limited Partnership	-	-	-	-	5,440,900	108,068	9	0.55%
Total	<u>\$ 221,482,600</u>	<u>\$ 4,268,221</u>		<u>13.87%</u>	<u>\$ 145,338,300</u>	<u>\$ 2,837,130</u>		<u>14.49%</u>

Rank is based on Taxable Net Tax Capacity Value

Source: Ramsey County Board of Equalization and Assessment

CITY OF SHOREVIEW
Property Tax Levies and Collections
Last Nine Fiscal Years (1)

Table 9

Levy Year	Total Tax Levy for Fiscal Year (2)	Collections (Refunds) within the Fiscal Year					Collections (Refunds) within the Fiscal Year					Percentage Collected Within the Fiscal Year of the Levy	Total Collections to Date		Abatements and Adjustments	Total Uncollected	
		2003	2004	2005	2006	2007	2008	2009	2010	2011	Amount		Percentage of Levy	Amount		Percentage of Levy	
Property Taxes:																	
2002 and prior		\$ 124,182	\$ (8,877)	\$ 3,736	\$ 3,250	\$ 100	\$ 579	\$ –	\$ –	\$ –		\$ 122,970		\$ 15			
2003	\$ 5,762,789	5,612,065	102,709	(4,105)	337	–	645	40	–	–	97.4%	5,711,691	99.1%	(51,098)	\$ –	0.00%	
2004	6,216,971	–	6,150,425	(11,970)	1,868	–	845	–	40	–	98.9%	6,141,208	98.8%	(75,763)	–	0.00%	
2005	6,567,362	–	–	6,444,720	42,719	(1,415)	3,164	942	135	205	98.1%	6,490,470	98.8%	(76,479)	413	0.01%	
2006	7,028,114	–	–	–	6,907,441	74,370	(20,580)	1,585	981	(6,484)	98.3%	6,957,313	99.0%	(69,667)	1,134	0.02%	
2007	7,557,202	–	–	–	–	7,498,003	2,782	3,568	5,152	(10,043)	99.2%	7,499,462	99.2%	(55,220)	2,520	0.03%	
2008	8,045,252	–	–	–	–	–	7,906,905	38,347	767	(16,093)	98.3%	7,929,926	98.6%	(110,167)	5,159	0.06%	
2009	8,350,663	–	–	–	–	–	–	8,224,205	23,468	(27,916)	98.5%	8,219,757	98.4%	(125,924)	4,982	0.06%	
2010	8,731,773	–	–	–	–	–	–	–	8,608,884	29,965	98.6%	8,638,849	98.9%	(84,174)	8,750	0.10%	
2011	9,051,713	–	–	–	–	–	–	–	–	8,980,471	99.2%	8,980,471	99.2%	(15,957)	55,285	0.61%	
Non-levy collections (3)		15,184	11,997	10,961	8,498	7,162	2,805	6,261	9,575	(8,254)							
Total collections within fiscal yea		<u>\$ 5,751,431</u>	<u>\$ 6,256,254</u>	<u>\$ 6,443,342</u>	<u>\$ 6,964,113</u>	<u>\$ 7,578,220</u>	<u>\$ 7,897,145</u>	<u>\$ 8,274,948</u>	<u>\$ 8,649,002</u>	<u>\$ 8,941,851</u>						<u>\$ 78,243</u>	
Tax Increments:																	
2003	\$ 1,426,740	\$ 1,391,261	\$ 5,957	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	97.5%	\$ 1,397,218	97.9%	\$ (29,522)	\$ –	0.00%	
2004	1,512,562	–	1,508,828	–	(19,903)	–	–	–	–	–	99.8%	1,488,925	98.4%	(23,637)	–	0.00%	
2005	1,612,519	–	–	1,556,678	15,546	–	–	–	–	–	96.5%	1,572,224	97.5%	(40,295)	–	0.00%	
2006	1,651,885	–	–	–	1,642,956	–	–	–	–	–	99.5%	1,642,956	99.5%	(8,929)	–	0.00%	
2007	1,785,481	–	–	–	–	1,785,481	–	–	–	–	100.0%	1,785,481	100.0%	–	–	0.00%	
2008	1,990,510	–	–	–	–	–	1,840,640	–	–	–	92.5%	1,840,640	92.5%	(149,870)	–	0.00%	
2009	2,037,210	–	–	–	–	–	–	2,007,418	–	–	98.5%	2,007,418	98.5%	(29,792)	–	0.00%	
2010	2,096,947	–	–	–	–	–	–	–	1,935,523	9,302	92.3%	1,944,825	92.7%	(152,122)	–	0.00%	
2011	2,094,246	–	–	–	–	–	–	–	–	2,026,325	96.8%	2,026,325	96.8%	(58,057)	9,864	0.47%	
Non-levy collections (3)		–	–	–	–	–	–	–	–	–							
Total collections within fiscal yea		<u>\$ 1,391,261</u>	<u>\$ 1,514,785</u>	<u>\$ 1,556,678</u>	<u>\$ 1,638,599</u>	<u>\$ 1,785,481</u>	<u>\$ 1,840,640</u>	<u>\$ 2,007,418</u>	<u>\$ 1,935,523</u>	<u>\$ 2,035,627</u>						<u>\$ 9,864</u>	

(1) Information unavailable prior to 2003
(2) Net of county rounding adjustment
(3) Non-levy collections include interest and other collections that do not reduce uncollected taxes

CITY OF SHOREVIEW
Water Sold by Type of Customer
Last Ten Fiscal Years
(in millions of gallons)

Table 10

Fiscal Year	Residential				Commercial/Industrial/Hotel/Motel/Public Institutions Religious/Charitable/Residential irrigation only accounts				Shoreview City Accounts (2)	Total Water Sold
	Tier 1 – First 15,000 Gallons	Tier 2 – Second 15,000 Gallons	Tier 3 – Remaining Water Consumed	Total Residential	Tier 1 – First 50,000 Gallons	Tier 2 – Second 1,150,000 Gallons	Tier 3 – Remaining Water Consumed	Total Commercial/ Industrial Etc.		
2002	385.4	281.8	83.8	751.0	-	134.4	-	134.4	-	885.4
2003	398.8	319.5	193.0	911.3	-	186.4	-	186.4	-	1,097.7
2004	390.3	268.6	128.2	787.1	-	185.9	-	185.9	-	973.0
2005	388.4	243.5	110.9	742.8	-	187.3	-	187.3	-	930.1
2006	389.0	266.7	160.0	815.7	-	183.7	-	183.7	-	999.4
2007	387.0	260.4	190.6	838.0	-	189.1	-	189.1	17.7	1,044.8
2008	381.5	254.2	141.8	777.5	-	186.5	-	186.5	18.0	982.0
2009	389.9	280.8	171.5	842.2	-	205.4	-	205.4	24.1	1,071.7
(1) Commercial/Industrial/Hotel/Motel/Public Institutions Religious/Charitable/Residential irrigation only accounts										
(1) Residential										
	Tier 1 – First 10,000 Gallons	Tier 2 – Second 20,000 Gallons	Tier 3 – Remaining Water Consumed	Total Residential	Tier 1 – First 50,000 Gallons	Tier 2 – Second 1,150,000 Gallons	Tier 3 – Remaining Water Consumed	Total Commercial/ Industrial Etc.	Shoreview City Accounts (2)	Total Water Sold
2010	362.0	230.8	94.8	687.6	27.0	141.3	32.3	200.6	22.6	910.8
2011	360.5	221.7	94.7	676.9	26.1	126.7	41.7	194.5	19.0	890.4
Percentage of Total Water Sold										
2002	43.5%	31.8%	9.5%	84.8%	0.0%	15.2%	0.0%	15.2%	0.0%	100.0%
2003	36.3%	29.1%	17.6%	83.0%	0.0%	17.0%	0.0%	17.0%	0.0%	100.0%
2004	40.1%	27.6%	13.2%	80.9%	0.0%	19.1%	0.0%	19.1%	0.0%	100.0%
2005	41.8%	26.2%	11.9%	79.9%	0.0%	20.1%	0.0%	20.1%	0.0%	100.0%
2006	38.9%	26.7%	16.0%	81.6%	0.0%	18.4%	0.0%	18.4%	0.0%	100.0%
2007	37.1%	24.9%	18.2%	80.2%	0.0%	18.1%	0.0%	18.1%	1.7%	100.0%
2008	38.9%	25.9%	14.4%	79.2%	0.0%	19.0%	0.0%	19.0%	1.8%	100.0%
2009	36.4%	26.2%	16.0%	78.6%	0.0%	19.2%	0.0%	19.2%	2.2%	100.0%
2010	39.8%	25.3%	10.4%	75.5%	3.0%	15.5%	3.5%	22.0%	2.5%	100.0%
2011	40.6%	24.9%	10.6%	76.1%	2.9%	14.2%	4.7%	21.8%	2.1%	100.0%

(1) In 2010 the City adjusted it's tiers for residential accounts, and established tiers for Commercial/Industrial etc. accounts

(2) The City does not bill the various departments for water use this consumption is for tracking purposes only. The City started tracking internal water consumption in 200

Source: City of Shoreview utility billing departmen

CITY OF SHOREVIEW

 Residential Utility Rates per Quarter
 Last Ten Fiscal Years

Table 11

Fiscal Year	Water				Surface Water Management				Sewer						Street Lights	
	Rate per 1,000 Gallons				Per Unit		Per Acre		Use Rate (Based on Winter Water Use)						Per Unit	
	Base Rate Per Unit	Tier 1	Tier 2	Tier 3	Single- Family	Town Home	Condos	Apartments and Mobile Homes	Base Rate	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Single and Multi- Family	Condos Apartments and Mobile Homes
		First 15,000 Gallons	Second 15,000 Gallons	Remaining Water Consumed						Less Than 5,000 Gallons	Between 5,000 and 10,000 Gallons	Between 10,001 and 20,000 Gallons	Between 20,001 and 30,000 Gallons	Greater Than 30,000 Gallons		
2002	\$ 7.54	\$ 0.640	\$ 1.128	\$ 1.639	\$ 9.16	\$ 9.71	\$ 63.21	\$ 76.67	\$ 43.62	(1)	(1)	(1) (2)	(1)	(1)	(3)	(3)
2003	7.77	0.659	1.162	1.688	9.48	10.05	65.42	79.35	27.43	\$ 8.67	\$ 13.19	\$ 17.72	\$ 22.25	\$ 26.77		
2004	7.98	0.677	1.194	1.734	9.72	10.30	67.06	81.33	28.94	9.15	13.93	18.69	23.47	28.24	\$ 4.00	\$ 3.00
2005	8.25	0.700	1.235	1.793	9.96	10.56	68.74	83.36	30.27	9.57	14.57	19.55	24.55	29.54	4.00	3.00
2006	9.08	0.770	1.359	1.972	10.28	10.90	70.97	86.07	31.93	10.10	15.37	20.63	25.90	31.16	4.40	3.30
2007	10.90	0.770	1.468	2.268	10.90	11.55	75.23	91.23	28.74	11.11	18.44	26.82	34.97	43.62	4.66	3.50
2008	12.54	0.816	1.644	2.608	12.00	12.71	82.75	100.35	27.88	11.78	20.28	31.11	42.31	54.96	6.06	4.55
2009	13.17	0.857	1.726	2.738	13.20	13.98	91.03	110.40	30.67	12.96	22.31	34.22	46.54	60.46	6.67	5.00

	(4) Water				Surface Water Management				Sewer						Street Lighting	
	Rate per 1,000 Gallons				Per Unit		Per Acre		Use Rate per unit (Based on Winter Water Use)						Per Unit	
	Base Rate Per Unit	Tier 1	Tier 2	Tier 3	Single- Family	Town Home	Condos	Apartments and Mobile Homes	Base Rate Per Unit	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Single and Multi- Family	Condos Apartments and Mobile Homes
		First 10,000 Gallons	Second 20,000 Gallons	Remaining Water Consumed						Less Than 5,000 Gallons	Between 5,000 and 10,000 Gallons	Between 10,001 and 20,000 Gallons	Between 20,001 and 30,000 Gallons	Greater Than 30,000 Gallons		
2010	\$ 10.00	\$ 0.920	\$ 1.860	\$ 2.950	\$ 14.52	\$ 15.38	\$ 121.44	\$ 121.44	\$ 32.51	\$ 13.74	\$ 23.65	\$ 36.27	\$ 49.33	\$ 64.09	\$ 6.94	\$ 5.20
2011	11.00	1.010	2.050	3.250	15.97	16.92	133.58	133.58	35.76	15.11	26.02	39.90	54.26	70.50	7.29	5.46

Source: City of Shoreview utility billing department

Note: Rates through 2009 are based on 5/8" meter which is the standard household meter size. The authority charged an excess base rate for meter sizes larger than a 5/8" meter.

- (1) Tiered sewer rates were implemented in 2003.
- (2) Accounts without city water are billed the base rate and the 10,001 to 20,000 sewer use rate.
- (3) Street lights rates were implemented beginning in 2004.
- (4) Conservation rates restructured in 2010.

CITY OF SHOREVIEW

Commercial Utility Rates per Quarter
Last Ten Fiscal Years

Table 12

Fiscal Year	Water		Sewer		Surface Water Management	Street Lights
	Base Rate – First 15,000 Gallons	Rate per 1,000 Gallons	Base Rate – First 15,000 Gallons	Rate per 1,000 Gallons	Rate Per Acre	Rate Per Acre
	(1)					(2)
2002	\$ 16.92	\$ 1.128	\$ 43.62	\$ 2.190	\$ 76.67	
2003	17.43	1.162	45.15	2.267	79.35	
2004	17.91	1.194	47.63	2.392	81.33	\$ 12.00
2005	18.53	1.235	49.82	2.502	83.36	12.00
2006	20.39	1.359	52.56	2.640	86.07	13.20
2007	22.02	1.468	55.56	2.798	91.23	14.00
2008	24.66	1.644	58.99	2.970	100.35	18.20
2009	25.89	1.726	64.89	3.270	110.40	20.02

Fiscal Year	(3) Water				Sewer	Surface Water Management	Street Lights
	Base Rate Per Account	Rate per 1,000 gallons			Sewer Availability Charge Per Account	Rate per 1000 Gallons	Rate Per Acre
		First 50,000	Next 1,150,000	All Remaining			Rate Per Acre
2010	\$ 10.00	\$ 1.40	\$ 1.86	\$ 2.95	\$ 32.51	\$ 3.47	\$ 121.44
2011	11.00	1.54	2.05	3.25	35.76	3.82	133.58

Source:

City of Shoreview utility billing department

(1) Rates through 2009 are based on 5/8" meter. The City charged higher minimum water rates for meter sizes larger than a 5/8" meter through 2009.

(2) Street lights rates were implemented beginning in 2004.

(3) Conservation based rate structure implemented in 2010 for commercial accounts.

CITY OF SHOREVIEW

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 13

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Percentage of Estimated Personal Income (2)	Percentage of Estimated actual Market Value of Property (1)	Per Capita (2)
	General Obligation Improvement Bonds	Other General Obligation Bonds	General Obligation Tax Increment Bonds	Certificates of Participation	Loan Payable	Water Bonds	Sewer Bonds	Surface Water Bonds					
2002	\$ 3,245,000	\$ 310,000	\$ 7,910,000	\$ 6,545,000	\$ –	\$ 2,555,000	\$ –	\$ 475,000	\$ 21,040,000	2.23%	1.18%	798	
2003	2,795,000	–	7,205,000	6,450,000	–	2,080,000	–	475,000	19,005,000	1.96%	0.95%	718	
2004	2,800,000	1,600,000	9,050,000	6,275,000	–	2,050,000	395,000	975,000	23,145,000	2.22%	1.03%	874	
2005	2,300,000	1,600,000	5,700,000	5,950,000	–	1,850,000	365,000	895,000	18,660,000	1.73%	0.73%	707	
2006	2,120,000	4,035,000	4,770,000	5,660,000	6,000,000	2,495,000	605,000	815,000	26,500,000	2.63%	0.93%	1,021	
2007	1,820,000	3,950,000	4,925,000	5,430,000	6,000,000	3,120,000	835,000	1,335,000	27,415,000	2.56%	0.88%	1,051	
2008	1,835,000	3,795,000	2,845,000	5,190,000	6,000,000	5,210,000	1,370,000	1,485,000	27,730,000	2.48%	0.85%	1,060	
2009	1,765,000	3,570,000	2,510,000	4,940,000	6,000,000	4,895,000	1,315,000	2,555,000	27,550,000	2.55%	0.86%	1,058	
2010	1,610,000	8,950,000	2,180,000	4,680,000	6,000,000	5,710,000	2,220,000	2,780,000	34,130,000	3.08%	1.13%	1,319	
2011	1,350,000	8,705,000	1,830,000	4,620,000	6,000,000	5,250,000	2,130,000	2,555,000	32,440,000	2.90%	1.14%	1,295	

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements

- (1) See Table 6 – Taxable Net Tax Capacity Value and Estimated Market Value of Taxable Property for the estimated actual market value
- (2) See Table 18 – Demographic and Economic Statistics schedule for estimated personal income and population data

CITY OF SHOREVIEW

Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 14

Fiscal Year	Governmental Activities			Business-Type Activities			Total	Resources Restricted for Repayment	Net General Bonded Debt	Percentage of Estimated Actual Market Value of Property (1)	Per Capita (2)
	General Improvement Bonds	Other General Obligation Bonds	General Obligation Tax Increment Bonds	Water Bonds	Sewer Bonds	Surface Water Bonds					
2002	\$3,245,000	\$ 310,000	\$ 7,910,000	\$ 2,555,000	\$ —	\$ 475,000	\$14,495,000	\$ 1,371,748	\$ 13,123,252	0.73%	498
2003	2,795,000	—	7,205,000	2,080,000	—	475,000	12,555,000	1,084,142	11,470,858	0.58%	433
2004	2,800,000	1,600,000	9,050,000	2,050,000	395,000	975,000	16,870,000	1,244,319	15,625,681	0.69%	590
2005	2,300,000	1,600,000	5,700,000	1,850,000	365,000	895,000	12,710,000	1,126,169	11,583,831	0.46%	439
2006	2,120,000	4,035,000	4,770,000	2,495,000	605,000	815,000	14,840,000	1,138,503	13,701,497	0.48%	528
2007	1,820,000	3,950,000	4,925,000	3,120,000	835,000	1,335,000	15,985,000	2,352,925	13,632,075	0.44%	522
2008	1,835,000	3,795,000	2,845,000	5,210,000	1,370,000	1,485,000	16,540,000	1,415,305	15,124,695	0.46%	578
2009	1,765,000	3,570,000	2,510,000	4,895,000	1,315,000	2,555,000	16,610,000	611,096	15,998,904	0.50%	614
2010	1,610,000	8,950,000	2,180,000	5,710,000	2,220,000	2,780,000	23,450,000	1,480,563	21,969,437	0.73%	849
2011	1,350,000	8,705,000	1,830,000	5,250,000	2,130,000	2,555,000	21,820,000	1,520,502	20,299,498	0.72%	811

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements.

(1) See Table 6 – Taxable Net Tax Capacity Value and Estimated Market Value of Taxable Property for the estimated actual market value.

(2) See Table 18 – Demographic and Economic Statistics schedule.

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CITY OF SHOREVIEW

Direct and Overlapping Governmental Activities Debt
as of December 31, 2011

Table 15

<u>Governmental Unit</u>	<u>Net Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt			
Ramsey County	\$ 220,821,916	6.500%	\$ 14,352,815
Independent School District #621 (Mounds View)	184,011,422	32.504%	59,810,665
Special Independent School District #916 (Vo-Tech)	6,166,838	11.925%	735,371
Metropolitan Council	1,262,875,596	0.929%	11,737,450
Metro Airport Commission	4,856,985	0.929%	45,142
Total overlapping debt			86,681,443
City of Shoreview direct debt (1)			20,984,498
Total direct and overlapping debt			<u>\$ 107,665,941</u>

<u>Debt Ratios</u>	
Ratio of debt per capita (25,043 population, Table 18)	\$ 4,299
Ratio of debt to net tax capacity valuations (after fiscal disparities) (\$30,788,656, Table 6)	349.69%
Ratio of debt to estimated actual market value of property (\$2,838,577,100, Table 6)	3.79%

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by the county.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- (1) Gross bonded and direct debt outstanding includes all general obligation, certificate of participation debt and loans less resources restricted for the repayment of debt.
- (2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

CITY OF SHOREVIEW
Legal Debt Margin Information
Last Ten Fiscal Years

Table 16

	Fiscal Year					Fiscal Year				
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 35,799,724	\$ 39,882,332	\$ 45,091,048	\$ 50,892,356	\$ 56,897,808	\$ 62,498,286	\$ 98,286,960	\$ 95,948,310	\$ 90,467,340	\$ 85,157,313
Total net debt applicable to limit	5,785,884	5,677,705	7,209,069	6,920,862	9,055,007	8,614,289	8,075,009	7,611,185	12,747,163	12,442,328
Legal debt margin	<u>\$ 30,013,840</u>	<u>\$ 34,204,627</u>	<u>\$ 37,881,979</u>	<u>\$ 43,971,494</u>	<u>\$ 47,842,801</u>	<u>\$ 53,883,997</u>	<u>\$ 90,211,951</u>	<u>\$ 88,337,125</u>	<u>\$ 77,720,177</u>	<u>\$ 72,714,985</u>
Total net debt applicable to the limit as a percentage of debt limit	16.16%	14.24%	15.99%	13.60%	15.91%	13.78%	8.22%	7.93%	14.09%	14.61%

Legal Debt Margin Calculation for Fiscal Year 2011

Market value (payable 2011 value, Table 6)	\$2,838,577,100
Debt limit (3% of market value)	85,157,313
Debt applicable to limit	
Other general obligation bonds	8,705,000
Certificates of participation	4,620,000
Less cash set aside for repayment of general obligation debt	<u>(882,672)</u>
Total net debt applicable to limit	<u>12,442,328</u>
Legal debt margin	<u>\$ 72,714,985</u>

Note: Under state statutes, prior to June 30, 2008 the City's outstanding general obligation debt and certificates of participation can not exceed 2 percent of total market property value, after that date the limit increases to 3 percent. By law, the debt subject to the limitation may be offset by amounts set aside for repaying the debt.

CITY OF SHOREVIEW
Pledged Revenue Coverage
Last Ten Fiscal Years

Table 17

Fiscal Year	Utility Revenues	Less	Net	Debt Service		Times Coverage
		Operating Expenses (1)	Available Revenue	Principal	Interest	
Water Revenue Bonds						
2002	\$ 1,314,162	\$ 1,062,559	\$ 251,603	\$ 405,000	\$ 121,813	0.48
2003	1,581,231	1,066,844	514,387	475,000	107,906	0.88
2004	1,530,258	1,042,626	487,632	475,000	96,561	0.85
2005	1,415,773	1,185,849	229,924	200,000	73,273	0.84
2006	1,749,143	1,243,722	505,421	215,000	101,273	1.60
2007	1,981,574	1,239,931	741,643	220,000	103,071	2.30
2008	2,033,018	1,329,619	703,399	275,000	126,890	1.75
2009	2,282,465	1,245,066	1,037,399	315,000	197,535	2.02
2010	2,042,580	1,339,306	703,274	425,000	192,894	1.14
2011	2,279,802	1,368,874	910,928	460,000	202,063	1.38
Sewer Revenue Bonds (2)						
2004	\$ 2,398,155	\$ 2,291,031	\$ 107,124	\$ —	\$ 11,231	9.54
2005	2,513,120	2,421,374	91,746	30,000	10,923	2.24
2006	2,704,890	2,455,406	249,484	30,000	21,362	4.86
2007	2,799,893	2,416,145	383,748	30,000	23,635	7.15
2008	2,923,581	2,590,220	333,361	45,000	34,913	4.17
2009	3,187,514	3,013,766	173,748	55,000	50,951	1.64
2010	3,274,000	2,869,607	404,393	80,000	57,495	2.94
2011	3,617,492	2,953,041	664,451	90,000	76,061	4.00
Surface Water Management Revenue Bonds						
2002	\$ 558,218	\$ 429,037	\$ 129,181	\$ —	\$ 5,514	23.43
2003	586,180	413,589	172,591	—	14,902	11.58
2004	614,555	427,300	187,255	35,000	29,451	2.91
2005	618,569	421,645	196,924	80,000	27,538	1.83
2006	670,491	491,989	178,502	80,000	26,492	1.68
2007	751,760	516,526	235,234	80,000	32,303	2.09
2008	837,128	545,757	291,371	80,000	48,344	2.27
2009	826,536	565,250	261,286	110,000	26,179	1.92
2010	937,550	656,073	281,477	130,000	90,408	1.28
2011	1,032,620	669,298	363,322	225,000	91,277	1.15

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements. Utility revenues include operating revenue, earnings on investments and the Federal credit associated with Build America Bonds.

- (1) Operating expenses do not include depreciation.
- (2) No sewer revenue debt before 2004.

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Estimated Personal Income (Amounts Expressed in Whole Dollars) (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>School Enrollment District #621 (4)</u>	<u>School Enrollment District #623 (4)</u>	<u>Unemployment Rate (5)</u>
2002	26,374	\$ 943,055,118	\$ 35,757	11,602	6,638	3.6 %
2003	26,478	970,524,612	36,654	11,230	6,522	3.8 %
2004	26,475	1,042,294,275	39,369	10,606	6,255	3.7 %
2005	26,381	1,078,534,423	40,883	10,513	6,383	3.2 %
2006	25,964	1,008,935,076	38,859	10,234	6,396	3.1 %
2007	26,093	1,070,700,162	41,034	10,116	6,327	3.5 %
2008	26,159	1,118,872,748	42,772	9,914	6,368	4.3 %
2009	26,036	1,081,847,872	41,552	9,901	6,438	6.4 %
2010	25,882	1,108,862,526	42,843	9,849	6,437	6.1 %
2011	25,043	1,118,720,896	44,672	9,911	6,454	5.3 %

Notes/Sources:

- (1) Population figures other than Census year are estimates provided by the Metropolitan Council. The last census was taken in 2010. Figures are as of December 31 of the prior year.
- (2) This estimated personal income number is calculated by taking the per capita personal income and multiplying it by the City's population. Also see note (3) regarding the per capita personal income figures.
- (3) Per capital personal income data is provided by the Bureau of Economic Analysis. The 2001–2005 data is for Ramsey County, in which the City resides, the smallest region applicable to the City that this information is available for. The 2006–2011 figures are estimates for the state of Minnesota as there were no other relevant estimates available at the time of this report.
- (4) The City is served by two independent school districts. District #621 covers approximately 90% of the City, while District #623 covers approximately 10% of the City. Accordingly, not all students enrolled in District #621 or District #623 live in the City.
- (5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development.

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CITY OF SHOREVIEW
Principal Employers
Current Year and Nine Years Ago

Table 19

Employer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Deluxe Corporation	1,067	1	8.90%	1,172	1	11.68%
Wells Fargo	711	2	5.93%	—	—	—
Empi	432	3	3.60%	304	7	3.03%
Target Corporation	300	4	2.50%	312	6	3.11%
TSI, Inc.	300	5	2.50%	325	5	3.24%
Taylor Corporation	200	6	1.67%	—	—	—
PAR Systems	130	7	1.08%	200	8	1.99%
City of Shoreview	130	8	1.08%	—	—	—
Kozlak's Royal Oak Restaurant	70	9	0.58%	—	—	—
Rainbow Foods	70	10	0.58%	—	—	—
Medtronic	—	—	—	1,133	2	11.30%
Fair Isaac	—	—	—	500	3	4.99%
Delta Environmental Consultants	—	—	—	480	4	4.79%
Curtis 1000	—	—	—	175	9	1.74%
Qwest Direct	—	—	—	165	10	1.65%
Total	3,410		28.42%	4,766		47.52%

Source: Minnesota Department of Trade & Economic Development's Community Profile for the City of Shoreview and telephone survey of individual employers August 2002 and May 2012

CITY OF SHOREVIEW

 Budgeted Full-Time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

Table 20

	Budgeted Full-Time Equivalent Employees as of December 31,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
General government	13.21	12.18	13.26	12.16	13.36	12.16	13.61	12.25	14.05	12.66
Public safety										
Emergency services	0.20	0.20	0.20	0.20	0.20	0.16	0.16	0.16	0.08	0.08
Public works										
Engineering	4.79	4.78	4.40	4.39	4.39	4.39	4.05	4.05	4.05	4.05
Maintenance	8.27	8.19	6.88	6.93	6.93	6.99	7.36	7.35	6.83	6.48
Parks and recreation										
Administration	6.72	6.30	6.30	6.30	6.31	6.27	6.26	6.15	6.00	5.00
Maintenance	10.07	10.04	9.03	9.04	9.04	9.40	9.87	9.45	9.51	10.06
Community center	34.48	40.35	40.73	42.63	45.81	43.72	39.51	37.29	36.03	36.68
Recreation programs	21.41	20.64	22.76	21.91	23.06	22.12	25.42	26.41	26.08	28.54
Community development	5.60	6.10	5.60	5.60	5.60	5.75	5.75	5.77	5.82	5.82
Water	8.66	8.48	7.80	7.80	7.82	8.11	8.36	8.43	8.33	8.35
Sewer	6.57	6.83	6.53	6.53	6.56	6.83	7.08	7.22	7.34	7.35
Surface water	3.24	3.31	2.86	2.87	2.87	2.88	3.33	3.37	3.52	3.52
Street lights	–	–	0.10	0.10	0.10	0.10	0.20	0.20	0.20	0.20
Central garage	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Total	<u>125.62</u>	<u>129.80</u>	<u>128.85</u>	<u>128.86</u>	<u>134.45</u>	<u>131.28</u>	<u>133.36</u>	<u>130.50</u>	<u>130.24</u>	<u>131.19</u>
Full-time	76.00	78.00	76.00	75.00	77.00	76.00	77.25	78.68	79.75	79.00
Part-time	2.04	1.25	0.75	0.75	–	–	0.75	0.75	0.75	0.75
Associate	<u>47.58</u>	<u>50.55</u>	<u>52.10</u>	<u>53.11</u>	<u>57.45</u>	<u>55.28</u>	<u>55.36</u>	<u>51.07</u>	<u>49.74</u>	<u>51.44</u>
Total	<u>125.62</u>	<u>129.80</u>	<u>128.85</u>	<u>128.86</u>	<u>134.45</u>	<u>131.28</u>	<u>133.36</u>	<u>130.50</u>	<u>130.24</u>	<u>131.19</u>

Source: City Finance Department

CITY OF SHOREVIEW
Operating Indicators by Function
Last Ten Fiscal Years

Table 21

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
Police (contracted with Ramsey County Sheriff's Department)										
Calls for service	7,649	7,422	7,249	7,115	6,508	6,526	6,719	6,441	6,298	6,443
Fire (contractual service with Lake Johanna Fire Department)										
Calls for service	246	254	283	302	274	302	307	306	806	988
Public works										
Salt (tons)	250	350	280	260	715	705	938	350	525	438
Sand (tons)	995	815	790	940	—	—	—	—	—	—
Crack sealant (pounds)	20,000	26,000	26,000	22,000	18,000	18,000	10,000	11,250	9,000	13,500
Asphalt repairs (tons of asphalt)	600	475	450	668	684	595	795	578	579	775
Recyclables collected (tons)	2,955	2,835	3,006	3,412	3,942	3,723	3,385	3,204	3,342	2,985
Trails resurfaced (miles)	—	—	—	—	4.50	5.75	5.00	5.50	4.50	5.00
Parks and recreation										
Recreation program users (registered participants)	12,477	13,386	13,994	14,931	15,228	14,828	16,369	17,997	20,679	26,317
Community program attendance (non-fee programs)	—	—	—	—	—	—	—	—	—	57,055
Community center users	339,323	350,540	397,008	406,783	423,314	415,886	449,811	507,951	627,822	699,025
Community development										
Permits issued	1,489	1,447	1,116	1,013	1,146	3,057	2,350	1,352	1,044	922
Permit valuation (millions)	\$ 65.3	\$ 27.3	\$ 64.4	\$ 32.0	\$ 40.3	\$ 32.3	\$ 26.6	\$ 18.3	\$ 42.1	\$ 21.9
Water										
Water main breaks	10	11	9	16	5	7	21	9	14	3
Meters replaced	—	138	99	301	524	128	372	8,100	61	25
Curb box repairs (water valves)	—	—	—	85	225	180	485	1,130	458	385
Hydrants repaired	N/A	N/A	N/A	18	22	32	192	39	42	75
Average annual residential water use	79,107	97,607	85,367	80,802	88,068	91,881	82,600	89,050	82,742	81,368
Average daily consumption (millions of gallons)	2.79	3.58	3.08	3.14	3.28	3.50	3.24	3.30	2.91	2.69
Maximum daily gallons pumped (millions)	6.79	11.84	8.37	8.90	9.77	10.10	8.33	8.17	9.46	5.91
Sewer										
Sewage flow (millions of gallons)	1,073	1,005	1,014	950	886	920	935	872	872	914
Miles jetted	N/A	40	55	60	58	60	68	65	72	82
Miles rodded	10	9	9	8	8	9	28	25	38	32
Miles inspected	N/A	20	10	40	40	40	49	48	40	60
Surface water management										
Material dredged from ponds (yards)	425	425	425	425	425	425	500	432	795	—
Sweepings collected (tons of material)	1,300	1,150	1,100	1,200	450	200	300	200	250	200
Miles of street swept	360	270	270	360	450	450	360	270	405	353
Street sweeping rounds per year	4	3	3	4	5	5	4	3	5	4
Lake augmentation, gallons pumped (millions)	—	—	90.0	32.3	10.4	135.9	—	32.5	221.2	—
Central garage										
Gallons of gas	21,000	20,500	19,000	22,000	20,000	17,500	18,512	15,409	17,500	14,676
Gallons of diesel	16,500	16,500	18,500	23,000	17,500	20,000	18,901	22,265	20,000	20,002
Oil changes	85	77	90	99	101	115	108	97	164	116
Tires replaced	29	28	59	27	81	34	51	29	42	17

Sources: Various city departments

Note: Indicators are not available for the general government city functions

N/A Indicators are not available for these years

*Community program attendance (non-fee programs) represent data not quantified prior to 2011

Table 22

	Fiscal Year					Fiscal Year				
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
Public safety										
Police (contractual service with Ramsey County Sheriff's Department)										
Patrol units (24-hour)	2	2	2	2	2	2	2	2	2	2
Fire (contractual service with Lake Johanna Fire Department)										
Fire stations in service	4	4	4	4	4	4	4	4	4	4
Number of volunteers	65	65	65	65	65	65	66	61	60	60
Public works										
Streets (miles)	86.7	86.8	87.6	87.6	87.6	87.6	87.6	87.6	88.2	89.0
Culture and recreation										
Parks acreage	268	268	268	268	268	268	268	268	268	268
Parks	10	10	10	10	10	10	10	10	10	10
Park buildings	7	8	8	8	8	8	8	8	8	8
Picnic shelters	5	5	5	5	5	5	5	6	6	6
Community center (square footage)	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000
Water										
Water mains (miles)	101.2	101.9	102.8	102.8	102.8	102.8	102.8	102.8	102.8	103.0
Fire hydrants	1,237	1,244	1,310	1,310	1,312	1,312	1,318	1,318	1,318	1,325
Wells	6	6	6	6	6	6	6	6	6	6
Maximum storage capacity (millions of gallons)	4	4	4	4	4	4	4	4	4	4
Sewer										
Sanitary sewers (miles)	106.5	107.1	107.9	107.9	107.9	107.9	107.9	107.9	107.9	108.2
Lift stations	17	17	17	17	17	17	17	17	17	17
Surface water management										
Storm water lift stations	2	2	2	3	3	4	4	5	5	4
Storm ponds	194	196	197	198	200	200	200	200	200	200
Street lights	644	644	645	645	659	659	694	707	713	716

Sources: Various city departments

Note: No capital asset indicators are available for the general government and community development functions.

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